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

January 21, 2016 – 9:30 a.m.

AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

A. Approval of Minutes of the December 17, 2015 Directors' Meeting

B. Committee Appointments - Appointment of Directors to the Audit and Budget Committee

REPORTS – Oral

A. President's Report

B. Presentation by the Executive VP, Innovation & Broadband regarding the Broadband Initiative

C. Loans and Grants – Summary of Projects

II. ADMINISTRATIVE ACTIONS

A. New NY Broadband Program – Authorization to Adopt Program Guidelines

B. Land Bank Program – Approval of Land Bank Applications and Authorization to Take All Related Actions

C. LaGuardia Airport Design Competition – Authorization to Receive and Disburse Funds and to Take Related Actions

III. PROJECTS

NEW YORK CITY REGION

A. Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Transformative Investment Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the UDC Act; Affirmation of the Proposed General Project Plan ("GPP"); Authorization to Make an Additional Grant and Take Related Actions

B. Regional Council Award – Priority Project – Staten Island (New York City Region – Richmond County) – Empire Outlets Capital – Regional Council Capital Fund and Transformative Investment Program (Capital Grants) – 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; Adoption of Findings Pursuant to the State Environmental Quality Review Act

LONG ISLAND REGION

STATEWIDE - RESTORE NEW YORK COMMUNITIES – CAPITAL GRANT

C. Statewide – Restore New York Communities - Capital Grant – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10 (g) and 16-n 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

A. Huntington – RESTORE III – Plaza Retail Center Capital (Suffolk County) - $1,170,000

III. **PROJECTS – Continued**

MID-HUDSON REGION

D. Regional Council Award – Priority Project - Yonkers (Mid-Hudson Region – Westchester County) – Saw Mill River Daylighting 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

E. Regional Council Award – Priority Project – Hyde Park (Mid-Hudson Region - Dutchess County) – Hyde Park Infrastructure Capital – Regional Council Capital Fund and Empire State Economic Development Fund – General Development Financing (Capital Grants) - 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; Adoption of Findings Pursuant to the State Environmental Quality Review Act

F. Regional Council Award – Priority Project - Milton (Mid-Hudson Region - Ulster County) – Hepworth Farms 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

CAPITAL REGION

G. Regional Council Award – Priority Project – Glens Falls (Capital Region - Warren County) – Finch Modernization 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

H. Regional Council Award – Priority Project - Albany (Capital Region - Albany County) – Wellington Row/Eagle Street Garage Capital - Regional Council Capital Fund (Capital Grants) – Affirmation of the Directors November 19, 2015 Findings Pursuant to Sections 16-6 and 10 (g) of the UDC Act; Affirmation of the General Project Plan

III. **PROJECTS – Continued**

NORTH COUNTRY REGION

I. Regional Council Award – Alexandria (North Country Region – Jefferson County) – Alexandria Water System Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

J. Regional Council Award – St. Armand (North Country Region – Essex County) – St. Armand Wastewater System 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

WESTERN NEW YORK REGION

K. West Seneca (Western New York Region – Erie County) – Upstate Niagara Cooperative 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 Take Related Actions; Determination of No Significant Effect on the Environment

MARKET NY GRANT PROGRAM

L. Market NY Grant Program – Regional Tourism Marketing Competition - Empire State Economic Development Fund – General Development Financing (Working Capital and Capital Grants) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

Empire State Economic Development Fund

A. Long Island Wine Country Global Trade and Tourism Working Capital – Long Island Wine Council – (Suffolk County) - $285,000
B. St. George Outlet Development Market NY Capital – St. George Outlet Development, LLC dba Empire Outlets (Richmond County) - $875,000

NEW YORK STATE INNOVATION VENTURE CAPITAL FUND

M. New York State Innovation Venture Capital Fund ("NYSIVCF") – Authorization of an Investment of NYSIVCF Funds in SeamlessDocs

IV. NON-DISCRETIONARY PROJECTS

A. Non-Discretionary Projects – Findings and Determinations Pursuant to Section 10 (g) of the Act; Adoption of General Project Plans; Authorization to Make Grants and to Take Related Actions

Executive (Aid to Localities-Base Redevelopment)

A. Plattsburgh Airbase Redevelopment Corporation – (Clinton County) - $1,000,000 – (Modification – no new assistance)

Executive (Special Appropriation-Clarkson Trudeau)

B. Clarkson University Biotech Initiative Capital (St. Lawrence County) - $1,000,000
C. Trudeau Partnership Working Capital (Franklin County) - $4,000,000

Executive (Special Appropriation- new York Power Electronics Manufacturing Consortium)

D. New York Power Electronics Manufacturing Consortium Capital (Albany County) - $33,500,000

DRAFT – SUBJECT TO REVIEW AND REVISION

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

December 17, 2015

MINUTES

In Attendance Directors:	Howard A. Zemsky (Acting Chair) Peter J. Beshar Hilda Rosario Escher Mark Silver – Designee, Acting Superintendent (New York State Department of Financial Services)
Present for ESD:	Lindsey Boylan, Chief of Staff Maria Cassidy, Deputy General Counsel Elizabeth Fine, Executive Vice President, Legal and General Counsel Robert Godley, Treasurer Brendan Healey, Assistant Vice President – Economic Incentives Peter Heilbrunn, Senior Director – Debt Management Edwin Lee, Vice President – Economic Incentives Benson Martin, Director of Compliance Glendon McLeary, Assistant Vice President – Economic Incentives -Loans and Grants Tawanda Mitchell, Director – Contractor and Supplier Diversity Marion Phillips, III, Senior Vice President – Community Relations Debbie Royce, Assistant Corporate Secretary Sharon Rutter, Director – Programs and Policy Ray Salaberrios, Vice President – Economic Revitalization Robin Stout, Senior Counsel Joseph Tazewell, Regional Director – New York City Regional Office Kay Wright, Executive Vice President – Public Affairs Kevin Younis, Executive Vice President – Public Policy

Also Present: James Fayle, Director – Central New York Regional Office
Stephen Hunt, Director – North Country Regional Office
Edward Muszynski – Finger Lakes Regional Office
Meghan Taylor – Mid-Hudson Region Office
Kenneth Tompkins, Director – Mohawk Valley Regional Office

Also Present: The Press
The Media
The Public

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 10:07 a.m. by Acting Chair Zemsky. 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, the Acting Chair set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda. No conflicts were noted.

Acting Chair Zemsky then called for a motion to approve the Minutes of the November 19, 2015 Directors' meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE NOVEMBER 19, 2015 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on November 19, 2015, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

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The Acting Chair then presented the President's Report noting highlights of ESD's recent economic development activities.

Among other things, Acting Chair Zemsky explained that on November 24, 2015, ESD participated with the Governor in keeping the Alcoa plant in Massena, New York open. This agreement, he added, assures the Company's employment of at least 600 people for three-and-a-half years in Massena, New York.

The Acting Chair also noted that ESD was recognized with an award from Smith's Allstar for the issuance of $1.6 billion in New York Liberty Development Revenue Bonds, Series 2014. The Acting Chair further noted that proceeds from the bond sale provided construction and permanent financing of Tower 3, World Trade Center, an 80-story state of the art, LEED certified building.

Next, the Acting Chair asked Mr. Tazewell, the Director of ESD's New York City Regional Office, to provide a presentation on that region's economic strategy plan.

Mr. Tazewell noted, among other things, that New York City has 40% of the State's

population but is the smallest of the ten New York State regions. He added that the region's economy is very strong, due in part, to the expansion of high tech, the creative and tourism sectors, the stability and financial services as well as significant increases in venture capital and real estate.

Mr. Tazewell went on to explain that the New York City Region also faces significant challenges including global competition and the fact that 20% of the City's residents live in poverty. He added that over the last five years, more than 100,000 middle wage jobs have disappeared.

Mr. Tazewell went on to outline the New York City Region's strategic plan and strategies to meet these challenges.

Following Mr. Tazewell's full presentation, the Acting Chair asked if the Directors had any questions.

Director Beshar noted that in the Upstate community colleges, there is high tech manufacturing. He asked if that was going on in New York City as well. Mr. Tazewell stated that it does and noted that the Voice project is one example. He explained that that project has a great deal of advanced manufacturing and that ESD is currently working with them and with the Start-Up New York program which would potentially link them with a university in Queens.

Director Silver inquired as to the status of the St. George project and Mr. Tazewell noted that there was a ground breaking for three St. George related projects, Lighthouse Point, Empire Outlets and the Wheel.

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

Mr. McLeary noted that the Directors will be asked to consider funding for 11 projects totaling $61,085,000.

Mr. McLeary explained that these projects include three Regional Council awards and eight Discretionary awards.

Mr. McLeary further explained that these projects will leverage over $529 million of additional investment, retain 811 jobs and create 504 jobs in the State.

Mr. Tazewell then presented the following items for the Directors' consideration: the Kingsbridge Armory Transformative Investment Program project; the ABC New York Works and Economic Development Fund project; and the Paperless Post Job Creation and Retention Program project.

Following the full presentation of these projects, the Acting Chair called for questions or comments on the above noted items. Before calling for a vote, the Acting Chair asked Mr. Tazewell to provide background information on the World Trade Center Job Creative Retention Program.

Mr. Tazewell explained that this program was created following 9/11 and utilizes federal money which is provided through HUD. The funding, Mr. Tazewell continued, was initially used to retain the companies that were in the affected area. Mr. Tazewell added that 14 years later, Lower Manhattan continues to be a priority area. Mr. Tazewell then noted, among other things, that recently a lot of tech firms have been moving downtown.

Director Beshar asked how ESD assesses the wisdom of supporting a company like Paperless that has a bright future compared to other companies that have come before the corporation.

Mr. Tazewell explained that ESD reviews whether or not there is a flight risk to New York State and in this case, there was a potential flight risk involving New Jersey.

Mr. Tazewell explained that the flight risk to New Jersey is very real because New Jersey has a very lucrative incentive program.

Director Beshar then asked for a sense of the number of companies that apply for grants from ESD and the percentage of those that ultimately receive support.

Mr. Younis stated as an example that for 300 to 400 grants given, ESD receives thousands of applications.

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

Bronx (New York City Region – Bronx County) – Kingsbridge Armory Capital – Transformative Investment Program (Capital Loan) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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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 Kingsbridge Armory Capital – Transformative Investment 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 KNIC Properties LP a loan for a total amount not to exceed Thirty Million Dollars ($30,000,000) from the Transformative Investment 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.

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Brooklyn (New York Region – Kings County) – ABC Capital – New York Works and Empire State Economic Development Fund – General Development Financing (Capital Grants) – 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

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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 ABC Capital – New York Works Fund and Empire State Economic Development Fund – General Development Financing (Capital Grants) 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 ABC, Inc. two grants for a total amount not to exceed Four Million Dollars ($4,000,000) from the New York Works Fund and 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 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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New York (New York City Region – New York County) – Paperless Post JCRP – World Trade Center Job Retention and Creation Program (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 Paperless Post JCRP -- WTC JCRP 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 Paperless, Inc. d/b/a Paperless Post a grant for a total amount not to exceed Four Hundred Fifty Five Thousand Dollars ($455,000) from the World Trade Center Job Creation and Retention 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 or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

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Next, Mr. Hunt, the Director of ESD's North Country Regional Office, presented the ALCOA Massena Working Capital grant project for the Directors' consideration.

Mr. Hunt explained that the Directors were being asked to authorize ESD to make a $20.6 million Working Capital grant to ALCOA to support operational expenses that will assist in

the retention of 600 jobs through March of 2019.

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

Massena (North Country Region – St. Lawrence County) – ALCOA Massena Working Capital – New York Power Authority (Working Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the ALCOA Massena 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, the President and Chief Executive Officer of the Corporation or his designee(s) is, authorized to make to ALCOA Inc. a grant for a total amount not to exceed Twenty Million Six Hundred Thousand Dollars ($20,600,000) from New York Power Authority 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 grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

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

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Ms. Taylor, the Director or ESD's Mid-Hudson Regional Office, then asked the Directors to authorize ESD to make a $3,000,000 grant from the Economic Transformative Program in connection with the Warwick Valley Office and Tech Park project.

Among other things, Ms. Taylor noted that this program was enacted for the purpose of promoting economic development initiatives in communities affected by the closure of State facilities.

Ms. Taylor added that the project aligns with the Mid-Hudson's Regional Strategic Plan as it revitalizes infrastructure and creates shovel-ready sites, assisting in the attraction of high tech and advanced manufacturing companies to the region.

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

> Warwick (Mid-Hudson Region – Orange County) – Warwick Valley Office & Tech Park 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

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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 Warwick Valley Office & Tech Park 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 Warwick Valley Local Development Corporation a grant for a total amount not to exceed Three Million Dollars ($3,000,000) 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.

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Mr. Tompkins, the Director of ESD's Mohawk Valley Regional Office, presented the FAGE USA Economic Development Fund project; the Westmoreland Ambulatory Surgery center

project and the Verona Sewer Systems project for the Directors' consideration.

Mr. Tompkins explained that the Directors are being asked to authorize ESD to make a $780,000 grant to FAGE USA Dairy Industry, Inc. to support the construction of an 80,000 square foot facility that essentially doubles the size of FAGE's food manufacturing facility in Johnston, New York.

Mr. Tompkins added that the project is complete and that the Company has pledged to create 130 jobs by January 1, 2017.

Mr. Tompkins then noted that the second project involves a $400,000 grant to the Westmoreland Development Company, LLC to assist in the construction of a 16,000 square foot ambulatory surgical center in Oneida County.

Lastly, Mr. Tompkins asked the Directors to authorize ESD to make a $500,000 grant in connection with the Verona Sewer System project.

Mr. Tompkins explained that the project allowed the community to install a sewer collection system to prevent groundwater pollution from existing septic systems.

Following the full presentation of these projects, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution

was unanimously adopted:

Johnstown (Mohawk Valley Region – Fulton County) – FAGE USA 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

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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 FAGE USA 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 FAGE USA Dairy Industry, Inc. a grant for a total amount not to exceed Seven Hundred and Eighty Thousand Dollars ($780,000) 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.

* * *

Johnstown (Mohawk Valley Region – Fulton County) – FAGE USA Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Regional Council Award – Priority Project - Westmoreland (Mohawk Valley Region – Oneida County) – Westmoreland Ambulatory Surgery 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

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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 Westmoreland Ambulatory Surgery Center 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 Westmoreland Development Company of NY, LLC a grant for a total amount not to exceed Four Hundred Thousand Dollars ($400,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation 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 – Westmoreland (Mohawk Valley Region – Oneida County) – Westmoreland Ambulatory Surgery Center Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the

Westmoreland Ambulatory Surgery Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Regional Council Award – Priority Project – Verona (Mohawk Valley Region – Oneida County) – Verona Sewer System 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

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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 Verona Sewer System 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 Town of Verona 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 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 – Verona (Mohawk Valley Region – Oneida County) – Verona Sewer System Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Mr. Fayle, the Director of ESD's Central New York Regional Office, presented the C'ville Yoghurt project and the NUAIR project.

Mr. Fayle also presented a land sale item in the Radisson Community.

Mr. Fayle noted that the first project involves a $500,000 capital grant to C'ville Yoghurt to assist in the construction and equipping of a 40,000 square foot Greek manufacturing yogurt facility.

Next, Mr. Fayle asked the Directors to authorize ESD to make a $600,000 working capital grant to NUAIR which will assist this entity in developing, testing and educating companies on the integration of the unmanned aerial system into commercial airspace.

Lastly, Mr. Fayle asked the Directors to authorize ESD to sell land to the Baldwinsville Central School District in the Radisson Community.

Mr. Fayle explained that the Directors had approved the sale at last month's meeting. He further noted that a public hearing was subsequently held and that negative comments were received.

Mr. Fayle out-lined the negative comments and staff's responses thereto.

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

Cortland (Central New York Region – Cortland County) – C'ville Yoghurt Capital –

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the C'ville Yoghurt 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 C'ville Yoghurt, Inc. a grant for a total amount not to exceed Five Hundred Thousand Dollars ($500,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Cortland (Central New York Region – Cortland County) – C'ville Yoghurt Capital – Economic Development Purposes Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Syracuse (Central New York Region – Onondaga County) – NUAIR Working Capital – Empire State Economic Development Fund – General Development Financing (Working Capital) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NUAIR Working Capital - Empire State Economic Development Fund - General Development Financing (Working 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Northeast UAS Airspace Integration Research Alliance, Inc. a grant for a total amount not to exceed Six Hundred Thousand Dollars

($600,000) 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.

* * *

Lysander (Onondaga County) – Radisson Community – Authorization to Sell Land to Baldwinsville Central School District; and Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to the Directors at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), and after due consideration of all public comments received, the Corporation is hereby authorized to sell and convey to the Baldwinsville Central School District ("BCSD"), for development of education-related facilities, an approximately 30 acre parcel of vacant land owned by the Corporation and located within the Radisson Community as shown on the map presented to this meeting (the "Site"), substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the Corporation herby finds, pursuant to Section 6(1) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that such sale as proposed and approved herein is "in conformity with a plan or undertaking for the clearance, replanning, reconstruction or rehabilitation of substandard and insanitary areas" within the Town of Lysander and County of Onondaga; and be it further

RESOLVED, the Corporation hereby determines, after giving due consideration to the appraisal of the Premises, the lack of response to the Corporation's continuing marketing of Radisson

industrial properties, BCSD's intent to develop the Site for education related facilities, and after due consideration of all public comments received, that there is no reasonable alternative to the proposed below-market transfer that would result in the same benefits to the public or achieve the same purpose of the proposed sale; and be it further

RESOLVED, that the President and Chief Executive Officer or designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver, and affix the seal of the Corporation to, all such agreements, contracts, deeds, certificates and instruments and to take any such action as may be considered to be necessary or proper to effectuate the sale of the Site.

* * *

Mr. Muszynski then presented an item relating to Roberts Wesleyan College as well as the Non-Discretionary Consent Calendar for the Directors' consideration.

First, Mr. Muszynski asked the Directors to authorize ESD to make a $250,000 capital grant to Robert Wesleyan College for a science and nursery building on its campus in North Chili.

Mr. Muszynski noted that ESD had previously provided a $250,000 grant to the College in connection with this project.

Mr. Muszynski then presented the December Non-Discretionary Consent Calendar for the Directors' consideration.

Mr. Muszynski explained that the Directors were being asked to consider a $1,000,000 Working Capital grant to the Northeast Unmanned Aerial Systems Air Space Integration

Research Alliance for data collection activities at Griffiss International Airport in Rome, New York.

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

Regional Council Award – Priority Project – Chili (Finger Lakes Region – Monroe County) – Roberts Wesleyan College Capital II – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 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 Roberts Wesleyan College Capital II - Regional Council Capital 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; 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 Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Roberts Wesleyan College a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) 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 Designate 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 Designate 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 Designate or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Local Assistance – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to 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 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;

Local Assistance – Assembly – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance			
A	Northeast UAS Airspace Integration Research Alliance Working Capital	AA157	Northeast UAS Airspace Integration Research Alliance, Inc.	$1,000,000
			TOTAL	**$1,000,000**

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.

* * *

Ms. Rutter then presented an item relating to the adoption of Program Guidelines for the Minority and Women-Owned Business Investment Fund.

Ms. Rutter explained that the Directors adopted program guidelines for a $2,000,000 investment fund for minority and women certified businesses that was legislatively proposed and subsequently approved by the ESD Directors in March of 2015.

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:

Minority- and Woman-Owned Business Investment Fund - Authorization to Adopt Program Guidelines

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials), relating to the Minority- and Woman-Owned Business Investment Fund (the "Program"), the Corporation adopts the Program guidelines referred to in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or the General Counsel of the Corporation or their respective designee(s) be, and each of them hereby is, authorized, to take such actions and make such modifications to the guidelines as he or she may deem necessary or appropriate; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or the General Counsel of the Corporation or their respective 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. Mitchell then presented the Quarterly Report on Certified Minority and women Business Enterprises for the Directors' consideration.

There being no further business, the meeting was adjourned at 11:13 a.m.

Respectfully submitted,

Debbie Royce
Assistant Corporate Secretary

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Elizabeth R. Fine

SUBJECT: Committee Appointments

REQUEST FOR: Appointment of Directors to the Audit and Budget Committee

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I. BACKGROUND

In 1979, an audit committee was created as a non-voting committee of Directors charged with meeting from time to time with the Corporation's independent Auditors and with the Director of Internal Audit to discuss the Corporation's audit procedures.

Now known as the Audit and Budget Committee (the "Committee"), this Committee was most recently comprised of four Directors: Kenneth Adams, Derrick D. Cephas, Robert R. Dyson, and Acting Superintendent of the New York State Department of Financial Services ("DFS") Anthony J. Albanese. In 2015, Mr. Adams resigned as President and Chief Executive Officer of the Corporation and as one of its Directors. Howard A. Zemsky currently serves as the Corporation's President and Chief Executive Officer and is a Director of the Corporation in his capacity as Commissioner of the New York State Department of Economic Development ("DED"). In addition, following Acting Superintendent Albanese's recent resignation, Shirin Emami was named the Acting Superintendent of DFS.

Under the Public Authorities Accountability Act, a majority of the members of this Committee must consist of independent directors, i.e., is not employed by the Corporation or an affiliate in an executive capacity nor is a relative of any such employee; not employed by an entity that received more than $15,000 in compensation or assistance from the Corporation; and not a registered lobbyist.

II. PROPOSED ACTION

It is recommended that the following individuals be appointed to the Audit and Budget Committee of the Corporation, to fill the vacancies created by Mr. Adams' and Acting Superintendent Albanese's resignations, in addition to those remaining Directors in order that

the Committee will continue to be comprised of four Directors, including three required independent Directors:

•Howard A. Zemsky
•Acting Superintendent Shirin Emami.

Attached to this memorandum is biographical information on the individuals recommended for Committee membership. They possess the necessary skills to understand the duties and functions of the Committee to which they are being nominated.

III. RECOMMENDATION

Based on the foregoing, I recommend the appointments of Howard A. Zemsky and Acting Superintendent Shirin Emami to the Audit and Budget Committee of the Corporation, in addition to its current members Mr. Cephas and Mr. Dyson.

Attachments
Resolution
Biographical Information

January 21, 2016

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Committee Appointments - Appointment of Directors to the Audit and Budget Committee

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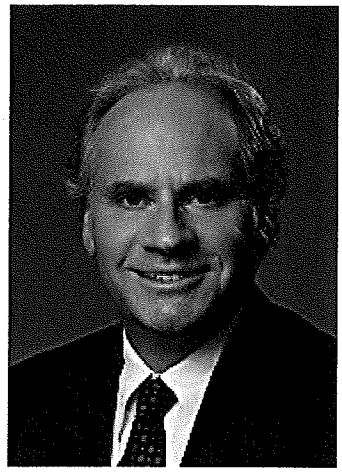
BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is ordered filed with the records of the Corporation, the following individuals are hereby appointed to the Audit and Budget Committee of the Corporation, in addition to Derrick D. Cephas and Robert R. Dyson, effective immediately and until their respective resignations or removals as Directors of the Corporation:

- Howard A. Zemsky
- Acting Superintendent Shirin Emami

* * *

Howard A. Zemsky



In January 2015, Governor Andrew M. Cuomo nominated Howard Zemsky to serve as President & CEO of Empire State Development and Commissioner of the New York State Department of Economic Development ("DED"). Mr. Zemsky was confirmed by the Senate on March 30, 2015.

Empire State Development, or "ESD", is the economic development agency of New York State. Mr. Zemsky and his colleagues manage a broad range of programs, incentives and services designed to increase private sector investment and job creation in New York. The organization has a staff of over 450 people located in 12 offices across the State. Mr. Zemsky works closely with Lieutenant Governor Kathy Hochul and the respective regional co-chairs to implement the Regional Economic Development Councils, the Governor's decentralized, collaborative and strategic approach to economic development.

Prior to taking the helm at ESD and DED, Mr. Zemsky co-chaired the Western New York Regional Economic Development Council for four years and worked with the Governor to advance the revitalization of Western New York. His company, Larkin Development Group, redeveloped approximately 1.0 million square feet of historic building space in Buffalo since 2002, with a particular focus on reclaiming Buffalo's earliest industrial neighborhood, the Larkin Historic District.

In recent years Mr. Zemsky also chaired Western New York's Transportation Authority, SUNY Buffalo State College serving over 10,000 students, and he served as President of the Richardson Center Corporation, a non-profit board charged with rehabilitation of the Richardson and Olmsted designed former NY State Psychiatric Hospital.

Mr. Zemsky has a Bachelor's degree from Michigan State University and a M.B.A from the University of Rochester. He is a Brooklyn native, a product of Long Island and a resident of Buffalo where he and his wife Leslie have lived for 30 years with their 3 children.

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: New NY Broadband Program

REQUEST FOR: Authorization to Adopt Program Guidelines

I. BACKGROUND

The New NY Broadband Program (the "Program") will provide grants to qualifying applicants to incentivize the expansion of broadband access to unserved and underserved areas throughout the State. Authorized by the 2015-2016 NYS Budget, the Program makes available $500 million to applicants agreeing to make co-investments in the funded infrastructure projects. Program funds will be awarded so as to advance the Governor's goal of Statewide high-speed internet access at speeds of at least 100 Mbps (download) in most places, and 25 Mbps (download) in the most remote parts of the State.

In order to inform the structure of the Program, the Broadband Program Office issued a request for information ("RFI") on September 24, 2015, seeking input from interested stakeholders. Responses were received through October 30, 2015, and have been duly considered in developing the Program guidelines before the Board for consideration today.

II. PROGRAM GUIDELINES

Proposed guidelines for the implementation of the Program are attached to these materials. Program awards are anticipated to be made in a number of application rounds, the first of which will close on April 15, 2016. Critical provisions are summarized below:

- Entities that may apply for Program funding include broadband service providers, units of local government, Native American tribes, any for-profit or not-for-profit business entity, or a combination of any of the aforementioned entities applying jointly.

- Projects for which funding is sought must provide broadband access meeting the Governor's speed goals to one or more census blocks (CB's) that are either currently Unserved (defined as CB's without available download speeds at or equal to 25 Mbps) or Underserved (defined as CB's with available download speeds equal to or greater than 25 Mbps, but less than 100 Mbps).
- Applicants for Program funding must provide a co-investment targeted at 50% of eligible project costs, but in no event less than 20%.
- Applicants must meet rigorous tests for suitable fiscal and management capabilities, and provide a substantial deposit to ensure project completion by December 31, 2018.
- Program funds will be awarded to applicants in the first round of funding based upon a reverse auction. The reverse auction will award Program funds by REDC Region to the applicants proposing to provide service to Unserved and Underserved areas at the lowest amount of requested State subsidy, on a dollars per-Unit served basis.

III. ENVIRONMENTAL REVIEW

ESD staff has determined that the requested action constitutes a Type II action under the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

IV. REQUESTED ACTIONS

The Directors are requested to approve and adopt the Program guidelines.

V. RECOMMENDATION

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

VI. ATTACHMENTS

Resolution
New NY Broadband Program Guidelines

January 21, 2016

New NY Broadband Program – Authorization to Adopt Program Guidelines

RESOLVED, that on the basis of the materials (the "Materials") presented at this meeting, a copy of which is hereby ordered filed with the records of the New York State Urban Development Corporation, d/b/a Empire State Development (the "Corporation"), the Corporation hereby adopts the Program guidelines referred to in the Materials; and be it further

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

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

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New NY Broadband Grant Program Request for Proposal Guidelines

I. BACKGROUND

In today's economy, broadband is no longer a luxury, it is a necessity. Like electricity and telephone service a century ago, broadband represents a critical foundation for economic growth, job creation and a better way of life. Across industries, broadband is redefining how we provide education and healthcare, manage energy, ensure public safety and how we store, access and share information.

Access to broadband is a necessity for the continued economic success of New York State. Recent studies indicate that approximately 80% of job seekers use online job search resources. Nearly all students today use the Internet in school, and one-third of students are required to use the Internet to complete homework assignments on a daily basis -- putting any New York State child without Internet access in their home at a profound disadvantage. More than 85% of college applications are received online. Millions of workers are now telecommuting, receiving vital information and news, and taking educational courses online via broadband networks.

Yet, despite their urgent need for broadband, approximately 2.5 million Housing Units[1] (HU's) in New York State have either limited or no access to high-speed Internet, creating a digital divide between those communities with the ability to participate in the global economy, and those communities without such access. It is for this reason that Governor Andrew M. Cuomo, with legislative support, established the $500 million New NY Broadband Program (the Program), the largest and most ambitious State investment in broadband in the nation. These New NY Broadband Program Request for Proposal Guidelines represent the first Phase (Phase 1) of this transformative initiative.

Specifically, the Program calls for applications for funding to provide access to broadband at speeds of at least 100 megabits per second (Mbps) (download) in most places, and 25 Mbps (download) in the most remote Unserved[2] parts of the State, with priority given to applications that will provide broadband to Unserved communities, libraries, and Educational Opportunity

[1] As defined by the U.S. Census Bureau. Please note that a full list of definitions is included with these Guidelines (*Appendix A - General Definitions*)

[2] An *Unserved* area is defined as an area where broadband service is not available from a wireline or wireless facilities-based provider at advertised speeds equal to or higher than ***25 Mbps download.***

Centers (EOC's).[3] The Program will achieve its goals through public-private sector partnerships, and will require a private-sector co-investment. The Program will be implemented by 2018.

The New NY Broadband Program is administered by the New York State Broadband Program Office (the BPO), a division of the New York State Urban Development Corporation, d/b/a Empire State Development (ESD). The funding will support Last-Mile[4] solutions, including Middle-Mile[5] and other connectivity to deliver Last-Mile services, to expand broadband connectivity in Unserved and Underserved[6] areas of New York State.

The BPO issued a Request for Information (RFI) on September 24, 2015 to solicit feedback from stakeholders and interested parties, in order to inform the structure of the Program. The RFI responses have been considered in the development of these Guidelines.

II. BRIEF DESCRIPTION OF PHASE 1

Consistent with the Program's enabling legislation, Phase 1 will award grant funding to applicants to provide Last-Mile services to Unserved and Underserved areas of the State. Applications for Phase 1 funding will be evaluated through a reverse-auction process (the Phase 1 Reverse-Auction or Reverse-Auction). The Reverse-Auction will select projects providing broadband access that require the lowest State Investment (*as discussed in Section X, below*), on a dollars-per-Unit[7] served basis,[8] based on the cost[9] to pass a Unit. Separate auctions will evaluate applications to address the Unserved and Underserved, respectively, within each NYS Economic Development Region (REDC Region), as part of Phase 1 (*as discussed in Section VI, below*).

The BPO intends to award a portion of the Program's $500 million appropriation to Phase 1 applicants, and to retain the balance of funding for future rounds. However, there is no specific maximum dollar amount attributable to Phase 1 and the BPO reserves the flexibility to award any amount, depending entirely on the quality and quantity of Phase 1 applications received. Grants awarded in this way are eligible to be disbursed no less frequently than on a quarterly reimbursement basis for eligible costs incurred by grant recipients in the course of completing the selected projects. The Program will only support projects that were not part of an

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[3] *See Appendix A– General Definitions*

[4] *See Appendix A –General Definitions*

[5] *See Appendix A–General Definitions*

[6] An *Underserved* area is defined as an area where broadband service is not available from a wireline or wireless facilities-based provider at advertised speeds equal to or higher than ***100 Mbps download.***

[7] *See Appendix A–General Definitions*

[8] *As discussed in Section X, below*

[9] A discussion of Eligible Project Costs is included with these Guidelines (*see Appendix C*).

applicant's capital expenditure plans prior to the filing of their Phase 1 application, and would not be undertaken in the absence of Program funds.

In order to facilitate Phase 1, based on its analysis of the Federal Communications Commission's (FCC's) December 2014 Form 477 Data, the BPO has determined that there are 225,862 Unserved HU's and 2,259,902 Underserved HU's in the State of New York. Applying the Program's definitions of Unserved, Underserved, and Served,[10] the BPO has designated the status of each U.S. Census Block (CB) within the State of New York according to the FCC's methodology, which is based on the fastest Internet speed available in a CB. Using the FCC's methodology, a CB is "Served" if it contains at least one HU served at Internet download speeds of at least 100 Mbps.

Please note that Phase 1 represents the first allocation of Program funding. It is anticipated that areas not addressed in Phase 1 will be the focus of additional rounds of funding, intended to be conducted in 2016, subsequent to the selection of Phase 1 grant recipients. These additional funding rounds will also address Unserved and Underserved Units within CB's designated as "Served" according to the FCC's 477 Data. The BPO will make announcements in the coming months concerning the timing and specific terms of those future funding rounds.

III. PHASE 1 ELIGIBILITY

Eligible types of applicants for Phase 1 may include, but need not be limited to:

A. Incorporated organizations

B. Native American tribes or tribal organizations

C. A local unit of government, or a group of multiple units of government

D. A cooperative, private corporation or Limited Liability Company, organized on a for-profit or not-for-profit[11] basis

E. A group of public and/or private sector partners[12]

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[10] A *Served* area is defined as an area where broadband service is available from a wireline or wireless facilities-based provider at advertised speeds equal to or higher than ***100 Mbps download.***

[11] *See also Appendix E* (regarding Not-for-Profit entities).

[12] To the extent an application submitted by more than one entity is selected as a Phase 1 grant recipient, each entity may be required to execute the project's Grant Disbursement Agreement (*form GDA attached as Appendix D).* Each entity's obligations and liabilities under the GDA may vary based on the nature of the proposal and their contemplated roles in the project.

IV. PHASE 1 REQUIREMENTS

To participate in Phase 1 of the New NY Broadband Program, applicants must meet the following requirements (Phase 1 Requirements):

- Projects Must Only Address Unserved or Underserved Areas
- Applicants Must Provide a Required Co-Investment
- Projects Must Provide Internet Speeds Consistent with the Governor's Goals
- Proposed Technology Solutions Must Conform to the Governor's Goals
- Projects Must Be Implemented by December 31, 2018
- Proposed Pricing Structures Must Include a Required Pricing Tier
- Applicants Must Demonstrate Suitable Fiscal and Management Capabilities
- Applicants Must Make a Commitment to Complete their Projects

The Phase 1 Requirements are discussed in greater detail below. The Program will determine whether applications conform to the Phase 1 Requirements based on applicants' responses to Questions[13] presented in the NYS Consolidated Funding Application (CFA) Portal (the Portal), as well as their uploaded documentation, subject to the waiver provisions (*discussed in Section V, below*).

A. Projects Must Only Address Unserved or Underserved Areas

Phase 1 will allocate funding to applicants to provide Last-Mile services, including Middle Mile networks, equipment, or other investments required to deliver Last-Mile service, to Unserved or Underserved areas of the State.[14] Applications may propose to serve any CB's designated as being eligible for Phase 1 by the BPO (Eligible CB's).

The BPO's website will provide all the data that an applicant will need to identify and map the area their project proposes to address (Service Area), at the CB level, including two filterable Excel files (.xls) of Eligible CB's, and the same lists in Shapefile (.shp) and Google Earth (.kmz) formats. Instructions on how to use the filterable Excel and Google Earth files are available on the BPO's website.

Please note that some Unserved and Underserved CB's, according to available data, may contain no HU's. Although these CB's may be unoccupied and not require service, the BPO has included both occupied and unoccupied CB's as Eligible CB's, in the event of

[13] The full list of Phase 1 Application Questions will be posted on the BPO's website, located here - https://www.nysbroadband.ny.gov/. Applications may be submitted through the CFA Portal beginning March 1, 2016. Any revisions or modifications to these Guidelines or the Questions will be posted on the BPO's website prior to March 1, 2016.

[14] Middle Mile infrastructure is only eligible for Phase 1 funding to the extent an applicant proposing Last-Mile access needs to include Middle Mile facilities as part of their overall structure.

new development, business presence, or other need. The list of Eligible CB's[15] is divided as follows:

- List A – Unserved CB's that contain HU's
- List B – Unserved CB's containing zero HU's
- List C – Underserved CB's

To the extent an applicant wishes to include CB's on List B, or CB's on List C that do not contain any HU's, in their proposed Service Areas, the applicant must submit documentation demonstrating that the Units proposed to be addressed exist in such CBs. In addition, the BPO will consider proposals to address Unserved or Underserved Units outside of the Eligible CB's. (*For further discussion, see Section VIII - Adjoining Service Areas, below*).

1. Minimum Service Area

Proposed Service Areas may not divide CB's,[16] and each application must serve a minimum of 2,500 Units. For purposes of these Guidelines, "Units" include HU's (as defined by the U.S. Census Bureau), commercial properties, governmental buildings, healthcare facilities, K-12 schools, libraries, EOC's, institutions of higher education, and other community institutions – *i.e.*, each such entity, with the exception of Libraries and EOC's,[17] will count as one (1) Unit. Please note, however, that, where a proposed Service Area includes all Eligible Unserved CB's or all Eligible Underserved CB's within an REDC Region, it shall satisfy the 2,500 Unit minimum requirement, irrespective of the total number of Units to be served by the application.

2. Multiple Applications

While an individual applicant may propose to address Eligible Unserved or Underserved CB's in different areas of the State, a single Phase 1 application may only propose to serve either Eligible Underserved CB's or Eligible Unserved CB's, and may not propose a combination of both.[18] If an applicant wishes to serve both Eligible Unserved CB's and

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[15] The list of Eligible Census Blocks is available on the BPO's website.

[16] The requirement that Service Areas not divide CB's does not apply to Adjoining Service Areas.

[17] To the extent applications address Unserved or Underserved Libraries and EOC's, such sites will be weighted for purposes of meeting this requirement (*as discussed in Section VII, below*).

[18] In calculating State Investment per-Unit, the applicant must use the total number of Units in their application. However, to the extent an applicant includes any Adjoining Service Area, they must calculate an additional State Investment per-Unit for each such Adjoining Service Area – *i.e.*, if an Applicant submits an application containing one Adjoining Service Area, the application should contain two separate calculations of the State Investment per-Unit, one including the Adjoining Service Area, and one without the Adjoining Service Area.

Eligible Underserved CB's, the applicant must propose each as a separate Service Area through separate applications. Applications to serve Eligible Unserved CB's and Eligible Underserved CB's will be considered through separate auctions (*i.e.*, an application addressing the Unserved will not be ranked against one addressing the Underserved, or vice-versa), within the REDC Region in which the largest number of Units proposed to be served are located.

Additionally, an individual applicant must designate separate Service Areas through multiple applications where: (1) the applicant proposes to serve geographic areas that do not share physical continuity AND are wholly-located in different REDC Regions, OR (2) the applicant is proposing the use of different technology solutions for each area. For purposes of *Section VI* (*Phase 1 Regional Auctions, discussed below*), where an individual application proposes to serve Units in more than one REDC Region, that application will be considered relative to the Region where the largest number of Units in its proposed Service Area are located.

To summarize the requirements in paragraphs 1 and 2 above:

- Proposals to serve Eligible Unserved CB's and Eligible Underserved CB's must be submitted through separate applications;
- Auctions to address the Unserved will be conducted separately from auctions to address the Underserved. Both auctions will be conducted within the REDC Region in which each application's proposed Service Area is located;
- Applications proposing Service Areas that span more than one REDC Region will be considered in the Region in which the largest number of Units to be served are located;
- Applications that propose use of more than one technology must be filed using separate applications for each technology solution
- In any event, each application must serve:
    1) Whole Eligible CB's (excluding Adjoining Service Areas); and
    2) A minimum of 2,500 Units (or every Eligible Unserved or Underserved CB within an REDC Region)

3. Modified Awards

Where applications propose to serve overlapping areas, preference shall be given to the proposals which serve their respective territories at the lowest requested amount of State Investment per Unit served (*as discussed in Section X, below*). In submitting their

Phase 1 application, each applicant may agree to accept an award for fewer than the total number of Units in their proposed Service Area (*i.e.*, an applicant may indicate a percentage of the total number of Units, if any, that they would agree to serve). The Program recommends that each applicant agree to accept a 20% reduction of their proposed Service Area. To the extent overlaps may be addressed by reducing the total number of Units in a higher-cost application up to the applicant's indicated percentage, the BPO may extract the overlapping Units from the higher-cost application and offer a modified award, calculated strictly on a pro rata basis (Modified Awards).[19] To the extent any applicant agrees to accept a reduced Service Area, they will be required to accept a Modified Award that does not reduce the total number of Units to be served in excess of the reduction authorized by their application. Under no circumstances will the BPO approve a Modified Award reducing a proposed Service Area in excess of that percentage.

> Example: Applicant A proposes an Unserved Service Area consisting of CBs 1, 2, 3, and 4, with 2,000 Units in each of the four CBs, a total of 8,000 Units, and requests a State Investment of $100 dollars-per-Unit, a total award of $800,000.
>
> Applicant B proposes an Unserved Service Area consisting of CB's 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, with 2,000 Units in each of the 10 CBs, a total of 20,000 Units, requesting a State Investment of $150 dollars-per-Unit, a total award of $3 million. Applicant B agrees to accept a reduction of 20% of the total number of Units in Applicant B's proposed Service Area.
>
> Assuming that both applications meet all Phase 1 Requirements, the applications would be ranked in the Reverse-Auction addressing the Unserved within that REDC Region. Because Applicant A requested the lesser amount of State Investment per-Units, their proposal would take priority and would receive Applicant A's total requested award. Should the auction also select Applicant B, which requested the higher amount of State Investment per-Unit, the BPO would extract CB 4, which will be served as part of Applicant A's project, from Applicant B's Service Area. The BPO would offer a Modified Award of $2.7 million to Applicant B, reflecting a reduction of 2,000 Units (or 10%) of their proposed Service Area. The Modified Award does not exceed the

[19] Reducing the award for the lower number of Units served by utilizing the average cost of the aggregate application and applying it to the number of Units extracted in this way.

20% Service Area reduction that Applicant B agreed to accept, and Applicant B will be required to accept the Modified Award.

4. Territories Excluded from Phase 1

Please note that the following areas, notwithstanding their status as Unserved or Underserved, are excluded from Phase 1:

i. Unpassed Time Warner Cable Franchise Homes

In May 2015, Charter Communications (Charter) announced a proposed acquisition of Time Warner Cable (TWC) (collectively, these companies will form "New Charter"). The NYS Public Service Commission (PSC), pursuant to its authority under the Public Service Law, has issued an order approving the merger subject to agreed terms that include New Charter's commitment to extend service to 150,000 or more currently unpassed HU's and businesses within the existing TWC and Charter NYS Franchise Areas. In light of that commitment, the BPO has decided to exclude all unpassed Units within the proposed New Charter NYS Franchise Area from Phase 1. However, following final approval of the merger, which is still subject to review by other federal and state regulating authorities, and confirmation of the Units to be served under the agreement, any remaining Units within the proposed New Charter NYS Franchise Area that do not meet the Governor's speed goals will be eligible for future rounds of Program funding. Such future rounds will be conducted subsequent to the selection of Phase 1 grant recipients.

ii. Connect America Fund Service Territory

In August 2015, a national telecommunications carrier declined $144 million in annual support from the Connect America Fund (CAF), an FCC program that supports the deployment of broadband in Unserved areas at speeds of 10/1 Mbps (download/upload). Within New York State, the carrier declined $31 million in annual CAF support, for 78,245 eligible locations. The BPO understands that the FCC is now reviewing alternatives to re-auction this unclaimed funding to other broadband service providers seeking to serve those New York State CAF territories. The BPO is actively evaluating opportunities to leverage this federal funding, as a complement to Program funding, and, therefore, will exclude all Units within those eligible New York State CAF territories from Phase 1.

In parallel to its launch of Phase 1, the State of New York anticipates making a submission to the FCC that proposes the coordination of CAF and New NY Broadband Program funding to ensure that all available funding resources are used to deploy broadband to those New York communities where high-speed Internet is most needed.

This partnership will give potential providers in the New York State CAF territories access to funding from both CAF and the New NY Broadband Program.

iii. Qualifying Connect NY and REDC Projects

Through the Connect NY Broadband Grant Program and Regional Economic Development Councils (REDCs), the State of New York has funded approximately 12 pending projects to deliver last-mile broadband service at Internet download speeds of at least 25 Mbps to Units in their respective project Service Areas. Because these projects (Qualifying Connect NY and REDC Projects), when completed, will achieve the New NY Broadband Program's minimum speed goals, Unserved Units within such Service Areas will not be considered for Phase 1.

5. Regional Economic Development Council Priority Areas

Prior to February 15, 2016, each REDC will have the opportunity to identify priority areas within their respective Regions requiring broadband service. To the extent such areas correspond with any Eligible CB, they would be designated "REDC Priority Areas." In the event two Phase 1 applications are received, which qualify in all other respects and propose equal amounts of State Investment per Unit Served, the application serving an REDC Priority Area in its entirety shall have priority.

B. Applicants Must Provide a Required Co-Investment

Governor Cuomo has set a goal of soliciting private sector Matching Funds for 50% of the capital needed for the Program. Consistent with that goal, applicants are encouraged to provide Matching Funds such that private investment for projects will be as high as possible, and cost to the State as low as possible. The Governor's goal for private investment on funded projects is 50% of total Eligible Project Costs or greater.[20]

A portion of the applicant's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the applicant. Equity capital is defined as cash invested into the project by the applicant or by investors, and should be auditable through the applicant's financial statements or accounts, if so requested by ESD. Equity capital may include funds raised through the sale of equity stakes in the applicant. Equity capital cannot be borrowed money secured by the assets in the project, or grants from a government source.

Any amount of the applicant's financial commitment above 10% of total Eligible Project Costs may consist of borrowed money or funding from other government sources.

[20] Please note that in no event shall the BPO consider applications proposing a private financial commitment of less than 20% of total Eligible Project Costs.

C. Projects Must Provide Internet Speeds Consistent with the Governor's Goals

The Program is designed to ensure that every New Yorker has access to high-speed broadband at Internet download speeds of at least 100 Mbps, except in the most remote areas of the State. Phase 1 has set download speed requirements consistent with that goal for applications addressing Unserved and Underserved areas, respectively. In each case, applicants will be required to demonstrate how their proposed technology solution will deliver the promised speeds in the proposed Service Area once operational and how capacity will be aggregated in the network design.

Additionally, the Program favors robust Internet upload speeds. All applications should offer upload speeds consistent with national trends.

1. Speed Requirements for Eligible Unserved CB's

Projects addressing Eligible Unserved CB's should offer Internet download speeds of at least 100 Mbps. Applications proposing download speeds below 100 Mbps will only be considered for funding where no commercially-reasonable[21] bids at 100 Mbps are submitted to address the same proposed Service Area. In any event, applications must offer Internet download speeds of at least 25 Mbps to each Unit in the proposed Service Area.

2. Speed Requirements for Eligible Underserved CB's

Projects addressing Eligible Underserved CB's must offer Internet download speeds of at least 100 Mbps to each Unit in the proposed Service Area.

D. Proposed Technology Solutions Must Meet the Governor's Goals

Proposed technology solutions must be designed to meet the Program's goals, particularly the Governor's target download speed goal of at least 100 Mbps. Based on each technology's proven speed capacity and scalability, the following technologies are pre-approved for use in Phase 1:

1. Fiber-to-the-Home (FTTH);[22]
2. Cable/Hybrid Fiber-Coaxial (HFC), [23] deploying DOCSIS 3.0 modems or higher

Additionally, while Phase 1 will accept applications offering the following technology solutions, in light of the greater performance variability of these technologies in

[21] *See Section X, below.*
[22] *See Appendix A– General Definitions*
[23] *See Appendix A– General Definitions*

different settings, proposals offering such technologies will only be considered where no commercially-reasonable applications using Fiber or Cable/HFC are submitted to address the same proposed Service Area. Applications offering such technologies must submit supporting documentation demonstrating, to the satisfaction of the Program, that such technology solutions can achieve the Program's speed goals in the proposed Service Area:

1. Digital Subscriber Line (DSL);[24]
2. Fixed Wireless[25]

Each application must use only one technology solution. To the extent an applicant wishes to utilize multiple solutions, each technology must be submitted through a separate application.

E. Projects Must Be Implemented by December 31, 2018

In accordance with the goals of the Program, Phase 1 applicants must demonstrate that their projects will be completed by December 31, 2018, and must detail major benchmarks and timing of anticipated achievement of each benchmark.

F. Proposed Pricing Structures Must Include a Required Pricing Tier

While the Program seeks to promote affordable access to high-speed broadband, including to households with low or fixed incomes, it also recognizes that Program participants need to achieve a reasonable return on their investments. Therefore, the Program is seeking to implement pricing structures that balance both considerations. To participate in Phase 1, applicants must agree that their broadband service offerings for consumers in the funded Service Areas, for a period of five (5) years from completion of the project, will include the following pricing tier (the Pricing Requirement) as a service option to residential users, excluding businesses and other institutional users: minimum Internet speeds of at least 25/4 Mbps (download/upload), at a monthly rate not to exceed $60.

The rate quoted above should include any connection fees, equipment fees, and/or surcharges. Such service should not impose caps on the end-user's bandwidth usage (data caps). The rate is effective as of December 2015, and may be increased annually by the provider at a rate reflecting the rate of inflation as measured by the Consumer Price Index (CPI) or according to a rate published by the BPO, whichever such increase would be greater.

[24] *See Appendix A– General Definitions*
[25] *See Appendix A– General Definitions*

G. Applicants Must Demonstrate Suitable Fiscal Standing and Management Capabilities

To participate in Phase 1, applicants must demonstrate suitable fiscal standing and management capabilities. To allow the Program to determine whether applicants meet this criterion, applicants must submit the following documents and/or attest to each of the following:

1. Applicant must operate at least one wired or wireless network business with at least 500 customers;

    a. To the extent Applicant is a partnership consisting of two or more entities, including municipalities and/or tribal entities, it is sufficient that any one entity among those filing the application meet the above requirement.

2. Audited Financial Statements for the past 3 years. If Applicant's most recent financials are over 180 days old, add the most recent interim statements;

3. Signed Federal, State, and Local Tax Returns for the past 2 years (FYs 2014 and 2013);

4. To the extent Applicant is a municipality and has a municipal bond rating on any of its debt instruments, it must demonstrate an investment grade bond rating, as determined by one of the following credit-rating agencies: Moody's Investors Service, Standard & Poor's, or Fitch Ratings;

5. Projects must be fully-financed,[26] through a combination of the total requested State Investment and committed funds from the Applicant;

6. Applicants must have cash-on-hand, defined as the Applicant's total amount of available cash, in an amount no less than the proposed committed funding, or a commitment letter for financing in that amount;

    a. Applicants who cannot meet the total amount of their financial commitment at the time of submission of their Phase 1 application will only be allowed to participate upon issuance of a waiver by the President and Chief Executive Officer (CEO) of ESD (*as described in Section V, below*). Such Applicant may submit (1) documentation acceptable to ESD demonstrating that the Applicant is in the process of raising this capital,

[26] Applicants will be asked to submit a complete and balanced table detailing all sources and uses of funding related to their proposed project, as well as a complete breakdown of all Eligible Project Costs that the State Investment will be funding.

describing the sources and status of such financing, and providing a timeline for obtaining the financing; as well as (2) a letter attesting to the Applicant's confidence that it will obtain such financing within the timeline provided. Applicants will be notified in writing as to whether they have a received a waiver. Applicants must inform the BPO when they have obtained the necessary financing.

b. Subparagraph a. above does not supersede the requirement that applicants finance at least 10% of total Eligible Project Costs with equity capital (*as discussed in Section IV B – Required Co-Investments*). In submitting the documentation described above, applicants are still expected to demonstrate that at least 10% of their private financial commitment will be equity capital.

7. Applicants must be in good standing in performance of any and all existing New York State contracts, and compliance with all federal, State, and local laws; and agree that each of their principals, officers, and directors, as determined by the BPO, may be required to submit to a background check at the sole discretion of the BPO as a precondition to the award of Program funding

8. Applicants may submit additional documents and/or information supporting a determination that the Applicant has demonstrated sufficient financial and management capabilities to participate in Phase 1.

Where the applicant is a joint-venture or cooperative consisting of one or more public and/or private entities, unless otherwise indicated in the Portal, each entity among those filing the application must submit the documents requested above. Where an applicant is a newly-formed subsidiary, or other related entity, of a parent, the applicant should submit the above-listed documents/attestations for the parent/related entity.

H. Applicants Must Make a Commitment to Complete the Project

Applications to Phase 1 shall represent binding commitments by the applicants to carry out their proposals. If selected, an applicant shall be required to enter into a Grant Disbursement Agreement (GDA) (*form GDA attached as Appendix D)* prior to disbursement of any Program funds, and to carry out their project subject to the proposed terms of their application.

Applicants to Phase 1 shall be required to provide a deposit in the amount of $100,000.00 (the Application Deposit), conforming to terms to be provided by ESD prior to March 1, 2016. Should an applicant selected for Phase 1 refuse to enter into a GDA with ESD for the Phase 1 application, their Application Deposit will be nonrefundable.

V. WAIVERS

Notwithstanding any of the above terms, the President and CEO of ESD reserves the right to waive one or more of the Phase 1 Requirements listed above. An applicant may request a waiver from such Phase 1 Requirement(s) by providing a written explanation of why it is unable to meet the Requirement(s).

VI. PHASE 1 REGIONAL AUCTIONS

To address broadband needs across the State, Phase 1 will conduct separate auctions within each REDC Region to rank proposals addressing the Unserved and Underserved (*i.e.*, within each Region, there will be separate auctions – one ranking applications to address the Region's Unserved and another ranking applications to address the Region's Underserved). Qualifying Applications that are confirmed as being commercially-reasonable[27] will be selected in each auction. Where a single application proposes to serve Units in more than one REDC Region, that application will be considered in the Region where the largest number of Units in its proposed Service Area are located. For avoidance of doubt, the commercially-reasonable funding threshold will be determined by ESD in its discretion (*as discussed in Section X, below*) and may or may not be set at the same level of required State Investment-per-Unit.

VII. LIBRARIES AND EDUCATIONAL OPPORTUNITY CENTERS

Consistent with its enabling legislation, the BPO encourages projects to offer broadband services to Unserved or Underserved Libraries and Educational Opportunity Centers (EOC's). To the extent an application proposes to address such facilities, applicants must provide detailed information concerning the proposed service and identify the particular Libraries and/or EOC's to be addressed.

Where an application proposes to address Unserved or Underserved Libraries and EOC's, such facilities shall be weighted in determining whether the applicant has met their required minimum number of 2,500 Units (*as described above, Section IV A1).* In calculating the number of Units that an applicant has proposed to serve, the Program will count each Unserved or Underserved Library as five (5) Units, and each Unserved or Underserved EOC as five (5) Units.

For avoidance of doubt, this provision would only apply to the determination of whether an applicant has satisfied the requirement of addressing a minimum number of Units, and will not affect the calculation of an applicant's grant.

[27] *As discussed in Section X, below.*

VIII. REQUESTS TO INCLUDE ADJOINING SERVICE AREAS

Where an applicant identifies Unserved or Underserved Units outside an Eligible CB, the applicant may, as part of their application, propose to include such Units (Adjoining Service Areas) in their project. Adjoining Service Areas must be adjacent to at least one Eligible CB that the applicant contemplates addressing in their proposed Service Area. Such requests must include the following information in their proposal:

1. A mappable shapefile of the Adjoining Service Area and list of CB's included therein;
2. Documentary evidence demonstrating that all Units proposed to be included in the Adjoining Service Area, despite their current Phase 1 eligibility designation, are, in fact, either Unserved or Underserved (*as defined within these Guidelines*) and
3. An affirmation by the Applicant that all such Units are either Unserved or Underserved.

Adjoining Service Areas may include partial CB's. The BPO may accept an application to serve an Adjoining Service Area where it determines that the submitted documentary evidence and affidavit are compelling.

Notwithstanding this Section, applications that include an Adjoining Service Area may not combine Unserved and Underserved Units into a single application (*i.e.*, an Adjoining Service Area containing Unserved Units may only be included in an application that addresses Eligible Unserved CB's).

IX. EVALUATION OF APPLICATIONS

In selecting applications for the Phase 1 Reverse-Auction, the BPO may consult with other divisions of ESD, other NYS agencies, and/or consultants to the BPO possessing relevant expertise for an evaluation of any application's compliance with the Phase 1 Requirements, including, but not limited to, a determination of the status of an Adjoining Service Area, whether or not proposed technology solutions meet the Program's goals, and the commercial-reasonableness of an application. In rendering such evaluations, these entities may consider any response by an applicant to questions in the Portal, as well as application materials uploaded by the applicant, including network design plans and technology specifications.

All applications that comply with the Phase 1 Requirements (or have obtained a waiver from certain of the Requirements, *as described in Section V, above*) (Qualifying Applications) will be advanced to the Phase 1 Reverse Auction Process (*as described in Section X below*).

X. PHASE 1 REVERSE-AUCTION PROCESS

Beginning on March 1, 2016, the Portal will open for applications. Applicants will be required to submit their applications online through the Portal. The Portal will ask applicants to answer questions and submit detailed information concerning their projects, proposed Service Areas, management and financial capabilities, total project cost, and importantly, the State Investment that applicants are seeking on a dollars-per-Unit-served basis. Applications must meet the Phase 1 Requirements to qualify for the Reverse-Auction (unless granted a waiver from certain Requirements).

The Portal will close at 4:30pm ET, on April 15, 2016 (the Application Deadline); the Program will not consider applications for Phase 1 submitted after the Application Deadline.

ESD may contact any applicant for the limited purpose of requesting additional information necessary to complete their application. Additionally, applicants will be required to pay a nonrefundable $250.00 Application Fee and provide the Application Deposit.[28]

After the Application Deadline, the Reverse-Auction will rank Qualifying Applications in order of requested State Investment per-Unit served, by REDC Region, prioritizing the lowest-cost applications (*as described in Section VI above*). Applications to serve Eligible Underserved CB's and Eligible Unserved CB's within each REDC Region will be considered separately. To provide a brief illustration of this process:

> Two applicants submit Phase 1 proposals that address identical Service Areas. Applicant A's project will serve 500,000 Unserved Units, at a total project cost of $1.2 million. Applicant A proposes to fund their project with a private financial commitment of $700,000 and seeks a $500,000 award from the Program. The amount of State Investment for Applicant A's project will, therefore, be $1.00 per Unit served ($500,000 award/500,000 Units). Applicant B's project will also serve 500,000 Unserved Units, at a total project cost of $2 million. Applicant B proposes to fund their project with a private financial commitment of $250,000 and seeks a $1.75 million award. The amount of State Investment for Applicant B's project will be $3.50 per Unit served ($1.75 million award/500,000 Units). Assuming that both applications meet all Phase 1 Requirements, using the reverse-auction methodology, Applicant A's proposal – which sought the

[28] Terms and instructions for payment of both the Application Fee and Application Deposit will be articulated by ESD prior to March 1, 2016.

lowest amount of State Investment per Unit served – would be funded.

After review, successful applicants will be notified of their selection by letter from ESD. Awards will be subject to approval by the ESD Board of Directors, as well as public hearings in the locality of the proposed project and review by the Public Authorities Control Board. Selected applicants will then execute GDA's with ESD. Where awards exceed $1,000,000.00, GDA's will be subject to review and approval by the NYS Office of the State Comptroller.

Unserved and Underserved areas not addressed in Phase 1 will be diverted to one or more subsequent allocations of Program funding, which is anticipated to occur in 2016.

XI. LEGAL TERMS AND CONDITIONS

By applying for Phase 1 Funding, Applicants are agreeing to adhere to the following terms and conditions:

A. Non-Collusion

To obtain funding under Phase 1, Applicants will be required to attest that their applications, including the costs presented and grant amounts requested therein, have been developed independently, without collusion, consultation, communication, or agreement for the proposes of restricting competition in ESD's selection of Phase 1 grant recipients; that, unless otherwise required by law, the costs presented and grant amounts requested in their Phase 1 application will not knowingly be disclosed by the Applicant to any other Applicant or to any competitor; and that no attempt has been made, or will be made, by the Applicant to submit or to not submit an application for the purposes of restricting competition in ESD's selection of Phase 1 grant recipients.

B. Compliance With Laws and Good Standing with NYS Contracts

To obtain funding under Phase 1, Applicants must attest to substantial compliance with all federal, State, and Local Laws, and consent to an investigation of their standing with all NYS contracts. Applicants must also assent to the completion of a background check. ESD may modify or cancel an award based on an Applicant's non-compliance with laws or a finding that the applicant is not in good standing with any NYS contract, either at the time of their application submission or thereafter.

C. Non-Discrimination Policy

It is the policy of the State of New York, including specifically ESD, to comply with all federal, State and Local Laws, policies, orders, rules and regulations that prohibit the unlawful

discrimination because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status.

D. M/WBE Goals

In accordance with the requirements of Article 15-A of the New York State Executive Law, projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity, which may set goals for participation by Minority and Women-Owned Business Enterprises where practical, feasible, and appropriate. Such goals shall typically be included in the incentive proposal.

Please note that ESD's agency-wide MWBE utilization goal is 30%. Each project will be assigned an individual contract-specific goal, based on local market conditions. Funding recipients shall be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project. Funding Recipients must maintain such records and take such actions necessary to demonstrate such compliance.

E. Service-Disabled Veterans-Owned Business Enterprise Goals

In 2014, Governor Andrew M. Cuomo signed the Service-Disabled Veteran-Owned Business Act into law, (Article 17-B of the New York State Executive Law), establishing a 6% goal for statewide participation in State contracts by businesses owned by service disabled veterans.

Each project will be assigned an individual contract-specific goal, which may be lower than 6%. Funding recipients shall be required to use good faith efforts to achieve the prescribed goal for participation by Service-Disabled Veteran-Owned businesses. Funding Recipients must maintain such records and take such actions necessary to demonstrate such compliance.

F. Applicability of New York State SEQR Requirements

In New York State, most projects or activities proposed by a state agency or unit of local government, and all discretionary approvals (permits) from a NYS agency or unit of local government, require an environmental impact assessment as prescribed by 6 NYCRR Part 617 State Environmental Quality Review (SEQR). SEQR may apply to Phase 1 Projects that involve construction or other activities that may affect the environment by changing the use, appearance or condition of a site or structure. If the project requires review under SEQR, Funding Recipients must maintain such records and take such actions necessary to demonstrate such compliance. Each project funded Under Phase 1 of the Program will be assessed by ESD to determine whether SEQR applies and, in cases where ESD determines that SEQR is applicable to a project, compliance with SEQR will be a precondition to an applicant receiving disbursements of awarded Program funded.

G. Applicability of Smart Growth Review Requirements

The State Smart Growth Public Infrastructure Policy Act of 2010 requires that public infrastructure projects approved, undertaken, supported or financed by a State Infrastructure Agency, which includes ESD, to the extent practicable, are consistent with relevant Smart Growth Criteria specified in the law. Phase 1 projects may be subject to review under this law. Accordingly, ESD may request that a Smart Growth Impact Statement be completed for the project.

H. UCC Security Interest

The BPO reserves the right, at its sole discretion, to require applicants to provide the BPO with an unsubordinated security interest in tangible assets funded by the Program.

I. Environmental Sustainability

ESD encourages the environmentally sustainable practice of recycling construction and demolition debris rather than disposition in a landfill.

J. Sharing of Tax Information

Applicants agree to allow the New York State Department of Taxation and Finance to share Company tax information with ESD.

K. Sharing of Labor Information

Applicants authorize the New York State Commissioner of Labor to disclose, to employees of both the NYS Department of Labor and ESD, all records filed by the Applicant in making Unemployment Insurance (U.I.) reports and contributions required by State Labor and Tax Law, including, but not limited to, all information contained in or relating to the quarterly combined withholding, wage reporting and U.I. returns, the registration for U.I., the New Hire file, and all records of U.I. delinquencies. In addition, this authorization shall include all information contained in any survey reports requested by the Department of Labor on behalf of the U.S. Department of Labor, Bureau of Labor Statistics including, but not limited to, the Current Employment, Occupational Employment, multiple worksite, and annual refiling surveys. The use of information and records released pursuant to this authorization shall be limited to government purposes concerning the company and assistance described in this incentive proposal to monitor compliance with worker protection laws and with the conditions and requirements associated with the financial assistance being requested.

XII. QUESTIONS

For Questions relating to the New NY Broadband Program, please contact:

Ana Rua
Director of Outreach, Broadband and Innovation
Broadband Program Office
Empire State Development
newnybroadband@esd.ny.gov
www.nysbroadband.ny.gov

APPENDIX A

GENERAL DEFINITIONS

1. **Adjoining Service Area** – Refers to an Applicant's proposed inclusion of Unserved or Underserved Units adjacent to Eligible CB's that the Applicant proposes to serve (*as discussed further in Section VIII of these Guidelines*)

2. **Applicant** – Refers to any entity or group of entities submitting a proposal for Phase 1 of the New NY Broadband Grant Program

3. **Application Deposit** – To participate in Phase 1, applicants will be required to provide a deposit in the amount of $100,000.00, pursuant to terms to be articulated by ESD prior to March 1, 2016

4. **Application Fee** – Applicants will be required to pay a non-refundable amount of $250

5. **Census Block (CB)** – The smallest geographic unit used by the U.S. Census Bureau

6. **Co-Investment** – Refers to the applicant's private financial commitment to the project (also referred to as "Matching Funds")

7. **Connect NY Broadband Grant Program (Connect NY)** - The "Connect NY" Broadband Program provided grants to promote and expand high-speed Internet access in rural upstate and underserved urban areas of the State

8. **Connect America Fund (CAF)** – a Federal Communications Commission (FCC) program that supports the deployment of Internet access in Unserved areas at speeds of 10/1 Mbps (download/upload)

9. **Consumer Price Index (CPI)** – A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services

10. **Digital Subscriber Line (DSL)** - A technology for bringing high- bandwidth information to homes and small businesses over ordinary copper telephone lines

11. **Educational Opportunity Centers (EOC's)** – Members of a statewide network of educational institutions that operate in affiliation with the State University of New York

12. **Eligible Census Blocks (Eligible CB's)** – Census Blocks that may be included in a Phase 1 Application. For purposes of Phase 1, these CB's are either wholly Unserved or Underserved (these Guidelines refer to *Eligible Unserved CB's* or *Eligible Underserved CB's*), based on the BPO's analysis of the FCC's December 2014 Form 477 Data. The Eligible CB's exclude the areas discussed in Section IV A 4 of these Guidelines

13. **Eligible Project Costs** – Expenses eligible for reimbursement under the New NY Broadband Program RFP Grant Guidelines (*as discussed in Appendix C of these Guidelines*)

14. **Fiber-to-the-Home (FTTH)** – A network that delivers internet service over optical fiber directly to an end-user home, business, or other Unit

15. **Fixed Wireless** – Wireless devices or systems that are situated in fixed locations

16. **Housing Unit (HU)** – Defined by the U.S. Census Bureau as a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall

17. **Hybrid Fiber Coaxial (HFC)** - A broadband network combining optical fiber and coaxial cable

18. **Last-Mile** – Components of a network that provide broadband service to end-user premises or devices through an intermediate point of aggregation (*e.g.*, remote terminal, fiber node, wireless tower, or other equivalent access point)

19. **Middle Mile** – Network components that provide broadband service from one or more centralized facilities (*e.g.*, the central office, the cable headend, the wireless switching station, or other equivalent centralized facilities) to an Internet point of presence

20. **Minimum Service Area** – Phase 1 applications must address at least 2,500 Units or serve all Eligible CBs within an REDC Region

21. **Modified Award** – Refers to an allocation of funding an applicant may receive if their proposed Service Area overlaps with that of another applicant (*as discussed further in Section IV A 3 of these Guidelines*)

22. **New NY Broadband Program Phase 1 (Phase 1)** – Refers to this first allocation of New NY Broadband Program grant awards, *as discussed throughout these Guidelines*

23. **Phase 1 Broadband Map** – Map identifying Unserved and Underserved CB's in the State of New York, based on the BPO's analysis of the FCC's December 2014 Form 477 Data

24. **Phase 1 Requirements** – Criteria that applications must meet to be considered in the Phase 1 Reverse-Auction (*as discussed in Section IV of these Guidelines*)

25. **Project** – Applicant's Proposed Phase 1 Project.

26. **Pricing Requirement** – A broadband pricing tier for residential users offering service at minimum Internet speeds of 25/4 (download/upload) at a monthly rate not to exceed $60 (including any connection fees, equipment fees, and/or surcharges). The service may not impose caps on the end-user's bandwidth usage (data caps)

27. **Qualifying Applications** – Applications that meet the Phase 1 Requirements (or are granted a waiver) and may be considered in the Phase 1 Reverse-Auction

28. **Qualifying Connect NY and REDC Projects** – Connect NY and REDC Broadband Projects that will deliver broadband at Internet download speeds of at least 25 Mbps. Because they meet the New NY Broadband Program's speed goals, service areas for these projects will not be considered in Phase 1

29. **Regional Economic Development Councils (REDC's)** – Established in 2010 by Governor Cuomo, these 10 public-private partnerships are made up of local experts and stakeholders and work to develop long-term strategic plans for economic growth for their respective regions of the State

30. **REDC Priority Areas** – Prior to February 15, 2016, each REDC will have the opportunity to identify priority areas within their Region requiring Broadband service. To the extent such areas correspond with Eligible CB's, they would be designated "REDC Priority Areas." In the event two Phase 1 applications are received, which qualify in all other respects and are substantially similar in amounts of State Investment per Unit Served, applications serving REDC Priority Areas shall be given priority

31. **Reverse-Auction** – A type of auction in which the roles of buyer and seller are reversed. In an ordinary auction (also known as a forward auction), buyers compete to obtain a good or service by offering increasingly higher prices. In a reverse auction, the sellers compete to obtain bids from the buyer and prices will typically decrease as the sellers outbid each other

32. **Served** – An area where broadband service is available from a wireline or wireless facilities-based provider at advertised speeds equal to or higher than 100 Mbps (download)

33. **Service Area** – Refers to the geographic territory in which an applicant has proposed to provide service

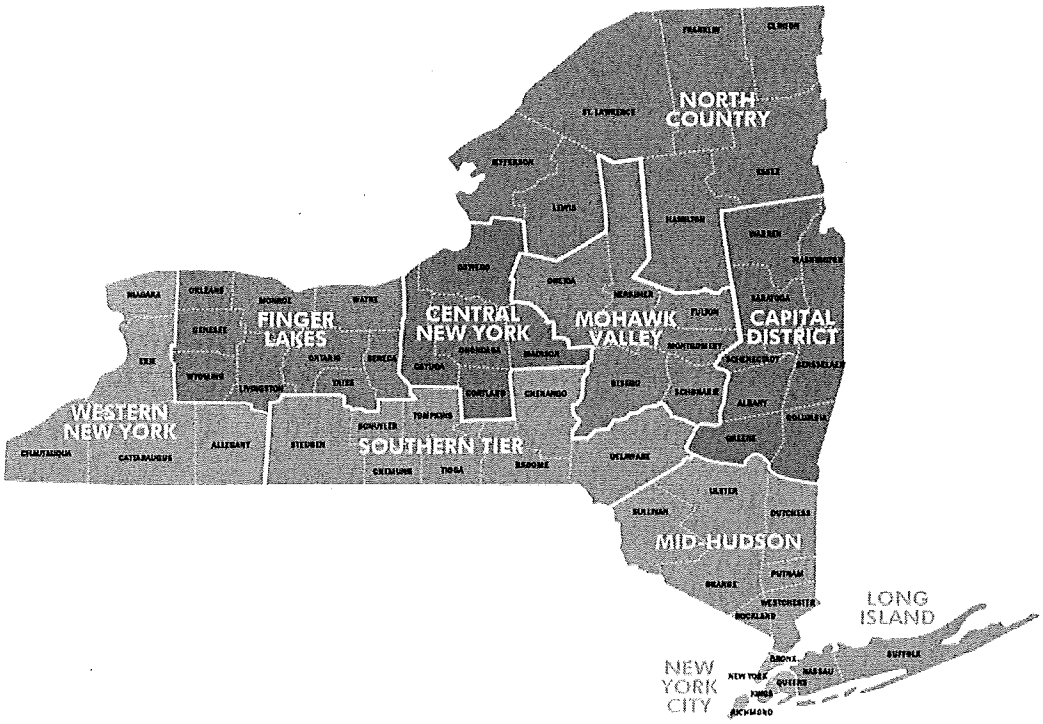
34. **Underserved** – An area where broadband service is not available from a wireline or wireless facilities-based provider at advertised speeds equal to or higher than 100 Mbps (download)

35. **Units** – "Units" include Housing Units, commercial properties, governmental buildings, healthcare facilities, K-12 schools, libraries, educational opportunity centers, institutions of higher education, and other community institutions – *i.e.*, each such entity, with the exception of Libraries and EOC's, will count as one (1) Unit for purposes of Phase 1

36. **Unserved** – An area where broadband service is not available from a wireline or wireless facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download)

APPENDIX B

MAP OF NYS ECONOMIC DEVELOPMENT REGIONS



APPENDIX C

PHASE 1 ELIGIBLE AND INELIGIBLE EXPENSES

New NY Broadband Program Phase 1 funds may be used:

- To fund the construction or improvement of all facilities required to pass all Units located within the Applicant's Service Area with a network capable of providing the specified broadband service.
    - o "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (*i.e.*, the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths,[29] require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
    - o "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Applicants must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
    - o Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity.
- Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the applicant shall calculate the percentage of passings in the proposed area or areas relative to the total

[29] 16 NYCRR section 895.5(b)(3) defines standard drop lengths as 150 feet.

number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible.

- To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service.
- To fund reasonable make-ready expenses incurred as a result of providing broadband service.
- To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network.
    - An applicant may not seek indirect costs in an amount constituting more than 15% of the applicant's total eligible expenses.
    - Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, applicants must submit such indirect costs as line-items and provide justification for the expense.

Eligible Capital Expense Categories (for new plant required for broadband service delivery):

- Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
- Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
- Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
- Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
- Customer Premises Equipment: Funding only covers up to the network demarcation point (*e.g.*, NID or ONT).
- Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.

- Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
- Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.

Ineligible Expenses:

- Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
- Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
- Operating expenses of the applicant will not be funded.
- Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.

APPENDIX D

PHASE 1 GRANT DISBURSEMENT AGREEMENT

Please note: This Grant Disbursement Agreement (GDA) is a template to be used for New NY Broadband Program Phase 1 awards. Notwithstanding this form, specific terms and conditions of each executed GDA may vary, based on the terms of each application. Additionally, Empire State Development (ESD) reserves the right to modify and/or update this template.

NEW NY BROADBAND PROGRAM

This **GRANT DISBURSEMENT AGREEMENT** includes all exhibits and attachments hereto and is made on the terms and by the parties listed below and relates to the Project described below:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT ("ESD" or "GRANTOR"):	633 Third Avenue New York, NY 10017 Contact: «Project_Manager» Phone: «Project_Mgr_Phone» E-mail: «Project_Mgr_email»
THE GRANTEE:	<<Original_Name_Client>> <<Street_Address_Client>> Contact: Phone: E-mail: Federal Taxpayer ID#:
PROJECT NAME:	<<Project_Name>>
PROJECT LOCATION:	<<Project_Town>>, <<Project_Zip codes>>
PROJECT NUMBER:	<<Project_Number>>
GRANT AMOUNT:	<<Grant_Amt>>
FUNDING SOURCE:	New NY Broadband 15-16 Capital

ESD APPROVAL DATE: <<Approval_Date>>

PACB APPROVAL DATE: <<PACB_Approval_Date>>

EXPIRATION DATE: ____

TERMS AND CONDITIONS

1. The Project

The Grantee shall:

(a) Complete the project as set forth in the ESD General Project Plan attached hereto as Exhibit A (the "Project").

(b) Comply with the minimum Grantee service level requirements and reporting requirements.

(c) Comply with Good Faith Marketing Efforts as set for in paragraph 23.

2. Project Reporting

(a) **Key Project Indicators.** Exhibit J lists the Key Project Indicators ("Indicators") for your broadband project which will be achieved by the end of the term of this agreement. The Grantee represents and warrants that it will complete all Indicators. If Grantee fails to deliver broadband services as indicated in Exhibit J, it shall repay to ESD a portion, or the entire Grant disbursed as set forth in Exhibit E. ESD reserves the right, but is under no obligation, to waive this requirement.

(b) **Reporting to ESD.** (i) Indicators are required to be reported quarterly from award inception to the end of this agreement. The Grantee shall submit electronically to nysbroadband@esd.ny.gov a Key Project Indicator Reporting Form ("Report"), attached as Exhibit K, to the ESD on a quarterly basis, within ninety (90) days of execution of this agreement and every ninety (90) days thereafter until the end of this agreement. (ii) Grantee also agrees to provide the ESD with verbal or written status updates, ("Updates") including but not limited to progress regarding the Grant Project and any known impediments or delays, upon ESD's reasonable request, but not more frequently than on a monthly basis. ESD is entitled to rely on the Reports and Updates to determine performance of the Grant Project. Failure to submit Reports and Updates when due may result in deferred distribution of the grant funds as set forth in Exhibit E.

(c) **Third Party Reporting and Compliance.** (i) Broadband Mapping ("Mapping"). Grantee is required to provide the ESD or designated agent, broadband data as follows and as indicated in Exhibit L. Bolded terms below are defined in Exhibit L.

(i) **Addresses** where new broadband service is provided or upgraded within the project footprint ("Footprint"), attached as Exhibit M, must be reported quarterly, if new or upgraded broadband service is delivered to customers,

at the completion of this agreement, and within 30 days of ESD's request, but not more frequently than on a monthly basis;

(ii) **Census blocks** and/or **street segments** for areas that receive broadband service within the recipient's entire New York State service area, attached as Exhibit N and as it may be expanded, must be reported semi-annually, and within 30 days of ESD's request, but not more frequently than on a quarterly basis;

(iii) Compliance with National Electrical Safety Code ("NESC"). All pole attachments shall comply with the NESC requirements. Grantee shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC and all applicable and current electrical and safety requirements of any State or local governmental entity. Grantee shall certify such compliance with each semi-annual Census block report noted above.

(d) ESD relies on the Reports, Updates, and Mapping to determine performance of the Project. Failure to submit Reports, Updates, and Mapping; and to be in compliance with NESC requirements may result in deferred distribution of the Grant Funds or a default.

3. Conditions Precedent to Disbursement of the Grant

(a) **Project Milestones**. Exhibit O, Project Milestones ("Milestones"), lists Grantee's major network build-out phases per quarter and demonstrates the entire project will be substantially complete by the end of the term of this agreement. Grant Funds will be disbursed as frequently as quarterly to Grantee provided Milestones are met.

(b) No grant funds shall be disbursed unless the Grantee is in compliance with the Terms and Conditions of this Agreement, including, but not limited to, Exhibit E (Disbursement Terms), and the following conditions have been satisfied:

(i) If the Grant Amount exceeds $100,000, or if, as described in Exhibit A, it is expected that there will be additional grants that in the aggregate exceed $100,000, ESD has received an opinion of Grantee's counsel, in substantially the form appended to this Agreement as Exhibit D.

(ii) Any necessary approval has been issued by the Director of the Budget of the State of New York, and the Grant funds have been received by ESD.

(iii) ESD has received out-of-pocket expenses incurred by ESD in the making of the Grant, if any, as set forth in Exhibit E.

(iv) There have been no materially adverse changes in the financial condition of the Grantee since the date of submission of its application to ESD.

(v) ESD receives and approves Reports, Updates, and Mapping; and Grantee is in compliance with NESC requirements as set forth in Section 2.

4. Disbursement and Recapture Terms

Subject to the terms and conditions contained in this Agreement, ESD shall disburse the Grant to the Grantee as follows:

(a) ESD shall reimburse the Grantee for Project expenditures incurred by the Grantee as set forth in Exhibit E of this Agreement. Disbursements will be made upon submittal to ESD and approval by ESD of
   (i) A Report
   (ii) Updates
   (iii) Mapping
   (iv) A Milestone Report
   (v) Grantee is in compliance with NESC requirements
   (vi) A Payment Requisition Form and any supporting documentation as ESD may require, in the form attached to this Agreement as Exhibit F and its attachments, and Exhibit I.

(b) In the event Grantee does not provide the Reports, Updates and Mapping, or is not in compliance with NESC requirements, ESD reserves the right to declare a default.

(c) In no event will ESD make any payment which would cause ESD's aggregate disbursements to exceed the Grant Amount.

(d) In no event shall ESD's receipt of any Report be construed as acceptance of the work of the Grant Project.

(e) The Grant disbursement, or a portion thereof, may be delayed or subject to recapture by ESD as provided in Exhibit E.

5. Non Discrimination and Contractor & Supplier Diversity

The Grantee will comply with ESD's Non-Discrimination and Contractor & Supplier Diversity policies set forth in Exhibit G of this Agreement.

6. No Liability of ESD

ESD shall not in any event whatsoever be liable for any injury or damage, cost or expense of any nature whatsoever that occurs as a result of or in any way in connection with the

Project and the Grantee hereby agrees to indemnify and hold harmless ESD, the State and their respective agents, officers, employees and directors (collectively, the "Indemnities") from and against any and all such liability other than that caused by the gross negligence or the willful misconduct of the Indemnities.

7. Responsibility Provisions

(a) The Grantee shall at all times during the Agreement term remain responsible. The Grantee agrees, if requested by the President and Chief Executive Officer of ESD or his or her designee, to present evidence of its continuing legal authority to do business in New York State, integrity, experience, ability, prior performance, and organizational and financial capacity.

(b) The President and Chief Executive Officer of ESD or his or her designee, in his or her sole discretion, reserves the right to suspend any or all activities under this Agreement, at any time, when he or she discovers information that calls into question the responsibility of the Grantee. In the event of such suspension, the Grantee will be given written notice outlining the particulars of such suspension. Upon issuance of such notice, the Grantee must comply with the terms of the suspension order. Activities under this Agreement may resume at such time as the President and Chief Executive Officer of ESD or his or her designee issues a written notice authorizing a resumption of performance under this Agreement.

(c) Upon written notice to the Grantee, and a reasonable opportunity to be heard with appropriate ESD officials or staff, this Agreement may be terminated by the President and Chief Executive Officer of ESD or his or her designee at the Grantee's expense where the Grantee is determined by the President and Chief Executive Officer of ESD or his or her designee to be non-responsible. In such event, the President and Chief Executive Officer of ESD or his or her designee may complete the requirements of this Agreement in any manner he or she deem advisable and pursue available legal or equitable remedies for breach.

8. Representations, Warranties and Covenants

The Grantee represents, warrants and covenants that:

(a) It has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(b) This Agreement was duly authorized, executed and delivered by the Grantee and is binding and enforceable against the Grantee in accordance with its terms.

(c) It is a duly organized corporation, validly existing and in good standing under the laws of the State of its incorporation, has the corporate power and authority to own

its assets and to transact the business in which it is now engaged or proposed to be engaged and is duly qualified as a foreign corporation and in good standing under the laws of each other jurisdiction in which such qualification is required and shall maintain its corporate existence in good standing in each such jurisdiction.

(d) There are no actions, suits or proceedings or, to the knowledge of Grantee, threatened against, or affecting Grantee before any court, governmental entity or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties or business of the Grantee, except as may have been disclosed in writing to ESD.

(e) Grantee is in compliance and shall continue to comply in all material respects with all material applicable laws, rules, regulations and orders.

(f) The information contained in the application submitted by the Grantee in connection with the project and the Grant, as such application may have been amended or supplemented (the "Application"), is incorporated herein by reference in its entirety. In the event of an inconsistency between the descriptions, conditions, and terms of this Agreement and those contained in the Application, the provisions of this Agreement shall govern. The Grantee hereby acknowledges that ESD has relied on the statements and representations made by the Grantee in the Application in making the Grant. The Grantee hereby represents and warrants that it has made no material misstatement or omission of fact in the Application or otherwise in connection with the Grant and, except as otherwise disclosed in writing to ESD, there has been no adverse material change in the financial condition of Grantee from the date of submission of the Application to the date hereof and that all other the information contained in the Application continues on the date hereof to be materially correct and complete.

(g) The Grantee covenants that it will neither hold itself out as, nor claim to be an officer, employee, agent or representative of ESD or the State by reason hereof, and that it will not by reason thereof, make any claim, demand or application for any right or privilege applicable to an officer, employee, agent or representative of ESD or the State, including without limitation, worker's compensation coverage, unemployment insurance benefits, social security coverage or retirement membership or credit.

(h) Neither the Grantee nor any of the members of its Board of Directors or other governing body or its employees have given anything of value to influence any official act or the judgment of any person in the award of the Grant or the performance of any of the terms of this Agreement.

(i) It shall maintain business operations for the broadband network and all related equipment necessary to provide broadband services within the Footprint for the term of this Agreement.

(j) The Grant shall be used solely for project expenses in accordance with the terms and conditions of this Agreement.

(k) The Grantee is solely responsible and has sufficient funding for all Project costs in excess of the Grant.

(l) Grantee will use ESD grant funds, and submit payment requisitions, exclusively for eligible expenses related to capital works or purposes in accordance with IRS rules and regulations relating to ESD's bonds and in accordance with the New York Debt Reform Act. Grantee acknowledges that grant funds must be used solely for authorized capital purposes and not for operating expenses or other working capital items or non-capital purposes, irrespective of whether the funds are still used for the benefit of the Project. Grantee acknowledges that the consequences of breaching this covenant could result in violations of state law and/or large bond issuances being treated as taxable instead of tax exempt for federal and state tax purposes, loss of certain federal subsidies to the state, adverse ratings changes for such bonds, and disproportionate negative financial consequences to the state and bondholders. Grantee recognizes its financial obligations, risks and liabilities for breach of this covenant. ESD may, from time to time, request information from Grantee to confirm its compliance with this covenant and Grantee acknowledges its obligation under Section 9(a)(iii) of the GDA to provide information upon request to ESD.

(m) Grantee is in compliance and shall continue to comply with Section 7 of this Agreement.

9. Default and Remedies

(a) Each of the following shall constitute a default by the Grantee under this Agreement:

(i) Failure to perform or observe any obligation or covenant of the Grantee contained herein, to the reasonable satisfaction of ESD and within the time frames established under this Agreement, including without limitation, Failure to complete Indicators and Milestones by the end of the term of this Agreement.

(ii) Failure to submit Reports, Updates, Mapping, and Milestone Reports, and to be in compliance with NESC requirements for over 60 days. ESD reserves the right to waive this requirement.

(iii) Failure to comply with any request for information reasonably made by ESD to determine compliance by the Grantee with the terms of this Agreement or otherwise reasonably requested by ESD in connection with the Grant.

(iv) The making by the Grantee of any false statement or the omission by the Grantee to state any material fact in or in connection with this Agreement or the Grant.

(v) A default beyond any applicable grace period by the Grantee, or any entity which Grantee directly or indirectly controls, is controlled by, or is under common control with, under any other agreement with ESD.

(vi) Any manifestation, on the part of the Grantee, of an intention either: (x) to terminate and/or (y) to restructure, under the terms of any bankruptcy or insolvency statute or law, its business at the Project Location. This includes, without limitation, the announced or actual cessation of business activities at the Project Location, the initiation of proceedings under any dissolution statute, or the execution of an assignment for the benefit of creditors, or the solicitation of any composition and/or arrangement with creditors, or the issuance of "closing" or "termination" notices to employees under any state or federal statute, or the filing of any voluntary petition under any chapter of the United States Bankruptcy Code, or the failure by the Grantee to obtain the dismissal, within sixty (60) days of filing, of any involuntary proceeding brought under any chapter of the United States Bankruptcy Code.

(vii) Failure by the Grantee, for any period of time, to comply with the terms and procedures of Section 7 of this Agreement.

(b) Upon the serving of notice to the Grantee of the occurrence of a default (which notice shall specify the nature of the default), ESD shall have the right to terminate this Agreement, provided however, that if the default is pursuant to paragraph 9(a)(i) 9(a)(ii) or 9(a)(iii), no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD, or if the default is pursuant to paragraph 9(a)(i), 9(a)(ii) or 9(a)(iii), cannot be reasonably cured within such ten day period, Grantee commences to cure such default within the ten day cure period and cures the default within ninety (90) days thereafter, provided further that ESD shall not be obligated to make any disbursements during any such cure period. Defaults occurring under the terms and provisions of paragraphs 9(a)(iv), 9(a)(v), 9(a)(vi) and 9(a)(vii) are not subject to the cure provisions provided herein.

(c) Upon termination of this Agreement, ESD may (i) withhold any Grant proceeds not yet disbursed and (ii) require repayment of Grant proceeds disbursed to the Grantee in accordance with Exhibit E of this Agreement. Notwithstanding the foregoing, if ESD determines that any Grant proceeds had previously been released based upon fraudulent representations or other willful misconduct, ESD may require repayment of all funds and may refer the matter to the appropriate authorities for prosecution. ESD

shall be entitled to exercise any other rights and seek any other remedies provided by law.

10. Term

The term of this Agreement shall commence on the date hereof and expire on the Expiration Date, as set forth on the first page of this Agreement.

11. Books and Records; Project Audit

(a) The Grantee will maintain accurate books and records concerning the project for the term of this Agreement and for three (3) years from the expiration or earlier termination of this Agreement and will make those books and records available to ESD, its agents, officers and employees during Grantee's business hours upon reasonable request.

(b) ESD shall have the right, upon reasonable notice, to conduct, or cause to be conducted, one or more audits, including field inspections, of the Grantee to assure that the Grantee is in compliance with this Agreement. This right to audit shall continue for three (3) years following the expiration or earlier termination of this Agreement.

12. Maintenance of Insurance

Grantee shall maintain in full force and effect insurance, including, but not limited to, the insurance described hereafter, in such amounts and covering such risks as Grantor may require from time to time naming Grantor as an additional insured on a primary and non-contributory basis, with full waiver of subrogation.

(a) The Grantee shall keep all broadband infrastructure ("Infrastructure") which includes assets such as building, fiber infrastructure, cable, towers, poles, outside plant equipment, network and access equipment, fixed and mobile wireless connections, customer premise equipment, and operating equipment at the Project Location and insured against: (i) loss by fire, (ii) additional perils customarily covered under an all-risk policy and (iii) flood hazard, if the Project Location is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as amended. The insurance required in this paragraph (a) shall provide coverage for an amount not less than the full replacement value of the Infrastructure at the Project Location , or such other amount as the Grantor may reasonably require, provided that (i) the amount of insurance coverage shall be in an amount sufficient to satisfy, at all times, any co-insurance requirements, and (ii) the amount of any flood hazard insurance shall

not exceed the maximum amount of coverage available under the National Flood Insurance Act.

(b) When and to the extent required by the Grantor, the Grantee shall maintain in full force and effect insurance against risk as is customary in the industry of the Grantee. The insurance required in this paragraph (b) shall provide coverage in an amount satisfactory to Grantor.

For Project Location in New York City, Long Island or Westchester

(c) The Grantee shall maintain Commercial General Liability Insurance providing both bodily injury (including death) and property damage insurance in a limit not less than Two Million Dollars ($2,000,000) per occurrence, Three Million Dollars ($3,000,000) aggregate and Five Million Dollars ($5,000,000) umbrella. ESD and each of its directors, officers, employees, agents and representatives shall be additional insureds and certificate holders, on a primary and non-participatory basis, with full waive of subrogation (General Liability Additional Insured Endorsement shall be on Insurance Service Office's (ISO) form number CG 20 26 11 85) or equivalent acceptable to ESD. In addition, if the grant or loan contemplates the purchase, construction or renovation of any buildings or equipment, the Recipient shall keep the buildings at the Project Location and the building equipment insured against: (i) loss by fire, (ii) additional perils customarily covered under an all-risk policy and (iii) flood hazard, if the Project Location is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as amended.

For Project Location OUTSIDE of New York City, Long Island or Westchester:

(d) The Grantee shall maintain Commercial General Liability Insurance providing both bodily injury (including death) and property damage insurance in a limit not less than One Million Dollars ($1,000,000) per occurrence, Two Million Dollars ($2,000,000) aggregate and Three Million Dollars ($3,000,000) umbrella. ESD and each of its directors, officers, employees, agents and representatives shall be additional insureds and certificate holders, on a primary and non-participatory basis, with full waive of subrogation (General Liability Additional Insured Endorsement shall be on Insurance Service Office's (ISO) form number CG 20 26 11 85) or equivalent acceptable to ESD. In addition, if the grant or loan contemplates the purchase, construction or renovation of any buildings or equipment, the Recipient shall keep the buildings at the Project Location and the building equipment insured against: (i) loss by fire, (ii) additional perils customarily covered under an all-risk policy and (iii) flood hazard, if the Project Location is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as amended.

(d) All insurance required in this Section shall be issued by companies authorized to do business in the State of New York, satisfactory to Grantor pursuant to policies satisfactory to Grantor in form and substance. Without limiting the generality of the

foregoing, the policies of insurance required hereby shall provide for ten (10) days' prior written notice of cancellation and shall be payable to the Grantor pursuant to a New York standard Grantor endorsement.

(e) The Grantee shall give prompt written notice to the Grantor in the event of substantial damage to the Project Location by reason of fire or other hazard or casualty.

(f) Notwithstanding the provisions of Subdivision 4 of Section 254 of the Real Property Law, the Grantor shall be entitled to retain and apply the proceeds of any insurance required hereby to the payment of any obligations or, in the sole discretion of the Grantor, apply any or all such proceeds to the cost of restoration of the Project Location, in which case the Grantee shall proceed with reasonable diligence to repair, replace or rebuild the Project Location to substantially their condition prior to such damage in full compliance with all legal requirements.

(g) The Grantee shall provide the Grantor with copies of all policies of insurance (or certificates thereof) for the required insurance coverages in form and substance satisfactory to the Grantor. In addition, the Grantee shall provide the Grantor with copies of renewal policies (or certificates thereof) or temporary binders in the event renewal policies have not been issued, in a timely manner. The Grantee must, in any event, provide Grantor with satisfactory confirmation of renewal coverage by the renewal date.

(h) In the event that the Grantee fails to maintain the insurance required hereby, the Grantor may obtain such insurance and pay the premiums therefor and the Grantee shall, on demand, reimburse the Grantor for any insurance premiums paid, together with interest thereon computed at the highest rate per annum allowable under New York State law.

(i) The Grantee will not take any action, or permit any condition to exist, with respect to the Project Location which may, in any manner, partially or wholly invalidate the insurance on the Project Location required hereby.

13. Survival of Provisions

It is agreed that: (a) the provisions of Sections 6, 8(g), (j) and (l) and 9, 11, 12, 13, 14, 15, 16, 17, 18, 21 and 22 (except insofar as any of the aforesaid Sections have been waived in accordance with the terms of Exhibit I to this Agreement) shall survive the expiration or early termination of this Agreement; and (b) such expiration or early termination shall not serve to limit, alter or modify any of the Grantee's obligations or responsibilities under the aforesaid Sections, and/or ESD's rights under such Sections, referenced in subsection (a) of this Section 13 of this Agreement. It is further agreed, moreover, that notwithstanding the expiration or early termination of this Agreement, ESD shall nevertheless retain the right to pursue, through and until the expiration of any applicable period of limitations established

under the statutory or common law of the State of New York, any claim or claims arising from any Section of this Agreement, including but not limited to the above referenced Sections 6, 8(g), (j) and (l) and 9, 11, 12, 13, 14, 15, 16, 17, 18, 21 and 22 of this Agreement, and the expiration or early termination of this Agreement shall not constitute a defense to any such timely filed claim or cause of action that is asserted on ESD's behalf.

14. Notices

(a) All notices, demands, requests or other communications permitted or required hereunder shall be in writing and shall be transmitted either:

(i) via certified or registered United States mail, return receipt requested;
(ii) by facsimile transmission;
(iii) by personal delivery;
(iv) by expedited delivery service; or
(v) by e-mail.

Such notices shall be addressed as follows or to such different addresses as the parties may from time-to-time designate:

Empire State Development

Name:	«Project_Manager»
Title:	Project Manager
Address:	633 Third Avenue, New York, NY 10017
Telephone Number:	«Project_Mgr_Phone»
E-Mail Address:	«Project_Mgr_email»

With a copy to:

Title:	General Counsel
Address:	633 Third Avenue, 37th Floor, New York, NY 10017
Telephone Number:	(212) 803-3750
Facsimile Number:	(212) 803-3975

<<Orgn_Name_Client>>

Name:	<<Contact_Name_Client>>
Title:	<<Contact_Title_Client>>
Address:	<<Street_Address_Client>>, <<CitySTZip_Client>>
Telephone Number:	<<Phone_Client>>
E-Mail Address:	<<Email_Client>>

(b) Any such notice shall be deemed to have been given either at the time of personal delivery or, in the case of expedited delivery service or certified or registered United States mail, as of the date of mailing to the address provided herein, or in the case of facsimile transmission or email, upon receipt of a record, by the sender, that such a transmission has been completed.

(c) The parties may, from time to time, specify any new or different address in the United States as their address for purpose of receiving notice under this Agreement by giving fifteen (15) days written notice to the other party sent in accordance herewith. The parties agree to mutually designate individuals as their respective representatives for the purposes of receiving notices under this Agreement. Additional individuals may be designated in writing by the parties for purposes of implementation and administration/billing, resolving issues and problems and/or for dispute resolution.

15. No Assignment

The Grantee may not assign or transfer this Agreement or any of its rights hereunder.

16. No Waiver

No waiver of any ESD's rights arising under this Agreement, or any other source, can occur unless such waiver shall be in writing and signed by ESD and such written document manifests a clear and unequivocal intent by ESD to waive its contractual or other legal rights. The term "waiver" as used herein is a term of art as used in the legal profession. ESD may not be estopped from asserting any of its legal rights, including but not limited to its rights under this agreement, unless ESD has signed a written document that clearly and unequivocally states that the other party may detrimentally rely upon the terms of such written document. Absent such written document, there shall be no estoppel against ESD and the other parties' alleged detrimental reliance shall be deemed to be unreasonable. The term "estoppel" is used herein is a term of art as used in the legal profession.

17. Integration/Modification

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements or statements relating to such subject matter. In addition, this Agreement may be modified only by a written instrument executed by the party against whom enforcement of such modification is sought.

18. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York. This Agreement shall be construed without the aid of any presumption or other rule of law regarding construction against the party drafting this Agreement or any part of it. In case any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such provision(s) had never been contained herein. In the event of a conflict

between the Directors' materials attached hereto as Exhibit A and any other term or condition of this Agreement, then the term or condition of this Agreement shall govern.

19. Confidentiality of Information

Information contained in reports made to ESD or otherwise obtained by ESD relating to trade secrets, operations and commercial or financial information, including but not limited to the nature, amount or source of income, profits, losses, financial condition, marketing plans, manufacturing processes, production costs, productivity rates, or customer lists, provided that such information is clearly marked "Confidential" by the Grantee, will be kept confidential by ESD, to the extent such information is determined by ESD to be exempt from public disclosure under the Freedom of Information Law and not otherwise required by law to be disclosed. Notwithstanding the foregoing, ESD will not be liable for any information disclosed, in ESD's sole discretion, pursuant to the Freedom of Information Law or other applicable law, or which ESD is required to disclose pursuant to legal process.

20. Special Provisions

The Grantee shall comply with the special provisions, if any, set forth in Exhibit I.

21. Litigation Costs

The Grantee shall pay, in any action or proceeding that is commenced to enforce and/or involves the enforcement of the terms and conditions of this Agreement, all of ESD's costs including, without limitation, ESD's attorneys' fees. The Grantee shall also pay any and all of ESD's collection costs including, without limitation, its attorneys' fees.

22. Waiver

The Grantee knowingly and expressly waives the right to a trial by jury and the right to interpose any counterclaims in any action brought by ESD under the terms of this Agreement.

23. Good Faith Marketing Efforts

The Grantee has the responsibility to market and promote broadband networks to obtain new subscribers. Additionally, Grantee has the responsibility to develop a contingency plan to increase adoption rates if initial marketing efforts do not bring in sufficient subscribers. Grantee must document its good faith efforts toward obtaining new subscribers of broadband services offered by providing the following to ESD:

(1) Copies of its marketing plans and marketing materials

(2) Copies of any advertisements

(3) Specific reasons for low adoption rates

(4) Contingency plan to increase adoption rates

This agreement is entered into as of the latest date written below:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a EMPIRE STATE DEVELOPMENT

_____

(Signature) Edwin Lee, Vice President, Loans and Grants

(date)

<<Orgn_Name_Client>>

_____

(Signature)

_____

(Printed name and title)

(date)

ESD CAPITAL GRANT DISBURSEMENT AGREEMENT

EXHIBITS

EXHIBIT A	General Project Plan
EXHIBIT B	Reports & D&C Requirements
EXHIBIT C	Employment Goals
EXHIBIT D	Opinion of Counsel
EXHIBIT E	Disbursement & Recapture Terms
EXHIBIT F	Payment Requisition Form
EXHIBIT F-1	Financial Condition Documentation
EXHIBIT F-2	Documentation of Project Costs
EXHIBIT F-3	Equity Expenditure and Project Cost Affidavit
EXHIBIT G	Non-Discrimination and Contractor & Supplier Diversity – Requirements and Procedures
EXHIBIT G-1	M/WBE Participation / Equal Opportunity Policy Statement
EXHIBIT G-2	Staffing Plan
EXHIBIT G-3	Workforce Employment Utilization Report
EXHIBIT G-4	M/WBE Utilization Plan
EXHIBIT G-5	Waiver Request Form
EXHIBIT G-6	M/WBE Contractor Compliance and Payment Report
EXHIBIT H	Employment Reporting Form (With Company's NYS Form 45 Attached)
EXHIBIT I	Special Provisions

EXHIBITS, Cont.

EXHIBIT J	Key Project Indicators
EXHIBIT K	Key Project Indicator Report
EXHIBIT L	Broadband Mapping Data Specifications
EXHIBIT M	Project Footprint
EXHIBIT N	New York State Service Area
EXHIBIT O	Project Milestones
EXHIBIT P	Project Milestones Report

EXHIBIT A: GENERAL PROJECT PLAN

See Materials Attached

EXHIBIT B: REPORTS – DESIGN & CONSTRUCTION REQUIREMENTS

Intentionally Deleted

EXHIBIT C: EMPLOYMENT GOALS

Intentionally Deleted

EXHIBIT D: OPINION OF COUNSEL

[Letterhead of Counsel to the Grantee]

[Date]

Empire State Development
633 Third Avenue
New York, NY 10017

Attn: «Project_Manager»

Re: <<Project_Name>>, Project <<Project_Number>>

Ladies and Gentlemen:

We have acted as special counsel to <<Orgn_Name_Client>>, a business corporation [limited liability company; select one] (the "Grantee"), in connection with the execution and delivery of the Grant Disbursement Agreement dated [Date of Agreement] (the "Agreement") between New York State Urban Development Corporation d/b/a Empire State Development ("ESD") and the Grantee.

This opinion letter is being furnished to you at our client's request pursuant to Section 3(a) of the Agreement. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Agreement.

In rendering the opinions set forth herein, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion letter, including (a) the Agreement, (b) the certificate of incorporation of the Grantee and (c) the by-laws of the Grantee. We have also examined and relied upon such other matters of law, documents, certificates of public officials and representations of officers and other representatives of the Grantee as we have deemed relevant, appropriate or necessary to the rendering of our opinions.

In rendering the opinions expressed below, we have assumed the legal capacity of all natural persons signing documents and that the signatures of persons signing all documents in connection with which this opinion letter is rendered are genuine, all documents submitted to us as originals or duplicate originals are authentic and all documents submitted to us as copies, whether certified or not, conform to authentic original documents. Additionally, we have assumed and relied upon the accuracy and completeness of all certificates and other statements, documents, records, financial statements and papers reviewed by us, and the accuracy and completeness of all representations, warranties, confirmations, schedules and exhibits contained in the Agreement, with respect to the factual matters set forth therein.

As to any facts material to the opinions expressed herein that we did not independently establish or verify, we have relied upon written statements and representations of officers and

other representatives of the Grantee and of certain public officials. We have also assumed and relied upon the accuracy and completeness of all certificates and other statements, representations, documents, records, financial statements and papers reviewed by us, and the accuracy and completeness of all representations, warranties and exhibits contained in the Agreement with respect to the factual matters set forth therein.

Based upon the foregoing and subject to the assumptions, qualifications and other matters set forth herein, we are of the opinion that:

1. The Grantee is validly existing and in good standing under the laws of the State of New York and has full power and authority to execute and deliver the Agreement and to perform its obligations thereunder.

2. The Agreement has been duly authorized, executed and delivered by the Grantee and (assuming its due authorization, execution and delivery by ESD) is binding on and enforceable against the Grantee in accordance with its terms, subject to applicable bankruptcy, insolvency reorganization, arrangement, liquidation, moratorium, fraudulent conveyance or transfer and other similar laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and except as rights under the Agreement to indemnity and contribution may be limited by federal or state laws.

We are admitted to practice in the State of New York and we express no opinion as to any matters governed by any laws other than the laws of the State of New York. The opinions expressed herein that are based on the laws of the State of New York are limited to the laws generally applicable in transactions of the type covered by the Agreement.

This opinion letter is for the benefit solely of ESD and not for the benefit of any other person. We are opining herein only as of the date hereof and we undertake no, and disclaim any, obligation to advise you of any changes in any matter set forth herein, regardless of whether changes in such matters come to our attention after the date hereof. No attorney-client relationship exists or has existed with ESD by reason of our preparation, execution and delivery of this opinion letter. By providing this opinion letter and permitting reliance hereon by you, we are not acting as your counsel and have not assumed any responsibility to advise you with respect to the adequacy of this opinion letter for your purposes. This opinion letter may not be relied upon by any other person or for any other purpose or used, quoted or otherwise referred to for any other purpose.

Very truly yours,

EXHIBIT E: DISBURSEMENT TERMS

Disbursement

Subject to the terms and conditions of this Agreement and receipt of the fees as set forth below, ESD shall disburse the Grant in quarterly disbursements upon submission of the documentation set forth below:

Fees due:

Commitment Fee:	$_____	(One percent (1%) of grant amount)
Reimbursement for out-of-pocket expenses	$_____	(To be determined)
TOTAL due:	$_____	

I. Grant Disbursements

Funds will be disbursed for reimbursement of eligible expenses during the course of design and/or construction no more frequently than quarterly, in proportion to ESD funding share of XX% of the total project costs, provided Milestones are achieved. Funds will only be disbursed if the Grantee is in compliance with the terms and conditions of this Agreement. Grantees must submit to ESD, the Report; Updates; Mapping; a Milestones Report; evidence supporting completion of Milestones and Indicators; invoices; and such other documentation as ESD may reasonably require, in the form attached to this Agreement as Exhibit F and its attachments; and Grantee is in compliance with NESC requirements. Failure to submit any of the referenced supporting documents when due may result in deferred distribution of the Grant Funds. Payment will be made upon acceptance by ESD of submitted expenses and documentation. Expenses must be incurred on or after AWARD DATE to be considered eligible project costs. ESD reserves the right to waive the requirement related to the completion of meeting Milestones or Indicators.

II. Final Disbursement

The final 10% of the grant will be disbursed as reimbursement for eligible expenses upon project completion, and completion of Indicators and Milestones. Grantees must submit to ESD, a final Report; a final Milestones Report; evidence supporting completion of Indicators and Milestones; invoices; Updates; Mapping; and such other documentation as ESD may reasonably require, in the form attached to this Agreement as Exhibit F and its attachments; and be in compliance with NESC requirements. Payment will be made upon acceptance by ESD of submitted expenses and documentation. Expenses must be incurred on or after AWARD DATE to be considered eligible project costs.

Grantee must submit all documentation for the final disbursement of the Grant by no later than December 31, 2018.

All disbursements are subject to deferral and recapture as set forth below. ESD has the right to waive the recapture for good cause shown in its absolute discretion. ESD reserves the right to require additional documentation to support payment requisitions.

Wire Transfer Information:

Please provide:

-A letter from a financial officer of the company certifying to the accuracy of the following information:

Bank Name: _____

ABA #: _____

Acct. Name: _____

Acct. #: _____

Deferral Terms

In the event Reports, Updates, Mapping, and Milestone reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements.

In the event such Reports, Updates, Mapping, and Milestone reports as indicated in Section 2 are not received within 60 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD,

Recapture Terms

ESD will be entitled to recoup all or part of ESD's grant if the Grantee fails to reach or complete Indicators and Milestones as required by the terms of this agreement. Grantees who fail to complete Indicators and Milestones shall repay ESD amounts that have been disbursed to the applicant as set forth below. Grant funds will also be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds.

Recapture Amount

The Recapture Amount, if the property is sold within 5 years of disbursement or if Grantee fails to complete Indicators or Milestones, is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred; and/or failure to complete Indicators or Milestones.

(a) The Recapture Amount, if the property is sold within 5 years of disbursement, 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.

(b) The Recapture Amount, if the failure to complete Indicators or Milestones occurs, 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 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
(ii) 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
(iii) 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
(iv) 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
(v) 60% of the disbursed amount if 31% to 40% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
(vi) 50% of the disbursed amount if 41% to 50% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
(vii) 40% of the disbursed amount if 51% to 60% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
(viii) 30% of the disbursed amount if 61% to 70% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
(ix) 20% of the disbursed amount if 71% to 80% of the Milestones or Indicators are completed by the time of the submitting final reporting requirements;
(x) 10% of the disbursed amount if 81% to 90% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
(xi) 5% of the disbursed amount if 90% to 99% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;

ESD has the right to waive the recapture for good cause shown in its absolute discretion.

EXHIBIT F: CAPITAL GRANT PAYMENT REQUISITION FORM

Note to Grantee: **Do not re-type this form.** Fill in only the version included in the executed GDA.

«Project_Manager»,
Empire State Development
633 Third Avenue
New York, NY 10017

RE: <<Project_Name>>, Project <<Project Number>>

Dear «Project_Manager»:

Enclosed please find our request for payment/reimbursement, in the amount of $ _____.

ESD funds may be applied by Grantee in payment or reimbursement of the following costs:

Invoice #: _____

Eligible Expenses	A: Actual Costs Incurred (this request)	B: ESD Share (this request)	C: Cumulative Amount Previously Received from ESD	D: Grant Amount (Cumulative if multi-year grant)	E: (D-C-B) Grant Balance Remaining
Installation and upgrade of existing broadband networks					
Retainage (10% of grant amount)					
TOTAL					

CERTIFICATION
I hereby warrant and represent to Empire State Development ("ESD") that:

1) To the best of my knowledge, information and belief, the expenditures for which <<Orgn_Name_Client>> is seeking payment and/or reimbursement comply with the requirements of the Agreement between ESD and <<Orgn_Name_Client>>, are eligible expenses, and that the payment and/or reimbursement of expenditures for which it is seeking payment and/or reimbursement from ESD does not duplicate reimbursement or disbursement of costs and/or expenses from any other source. These findings will be subject to audit by ESD's Internal Audit Department.

2) I have the authority to submit this invoice on behalf of <<Orgn_Name_Client>>. The project, or portion thereof for which this invoice relates, has been completed in the manner outlined in the Agreement.

3) I hereby attach the following documents for ESD approval, in support of this requisition:

___ Exhibit F-1: Financial Condition Documentation
___ Exhibit F-2: Documentation of Project Costs
___ Exhibit F-3: Equity Expenditure Documentation [note that this should generally be submitted each time there is a new expenditure level required for disbursement]
___ Exhibit G-2: Staffing Plan
___ Exhibit G-3: Workforce Employment Utilization Report
___ Exhibit G-4: M/WBE Utilization Plan
___ Exhibit G-5: Waiver Request Form
___ Exhibit G-6: M/WBE Contractor Compliance and Payment Report
___ Exhibit K: Key Project Indicator Report
___ Exhibit P: Project Milestones Report

EXHIBIT F: CAPITAL GRANT PAYMENT REQUISITION FORM, Cont.

___ A copy of all current policies of insurance (or certificates thereof) in full compliance with the terms and conditions of Section 12 of the Agreement

4) There have been no materially adverse changes in the financial condition of the Grantee, except as disclosed in writing to ESD, from the date of submission of the Application to the date hereof.

5) The Grantee has acted responsibly from the date of submission of the Application to the date hereof in full compliance with the terms and conditions of Section 7 of the Agreement.

6) Representations, Warranties and Covenants made in Section 8 of the Agreement are still true, complete and accurate, unless waived in Exhibit I of the Agreement.

Signature: _____ Date: _____

Print Name: _____

Title: _____

At any point in the course of your project, ESD would appreciate feedback regarding this ESD program. Please comment on the application, project approval, and/or payment reimbursement process or any other interactions with ESD related to the project. You may submit your feedback under separate cover to Edwin Lee, VP – Loans and Grants, 633 Third Avenue, NY, NY 10017. Please include your Project Number and Project Name which are listed at the top of this exhibit on your submission.
Thank you.

EXHIBIT F-1: FINANCIAL CONDITION DOCUMENTATION

[Letterhead of CPA]

(Date)

«Project_Manager»
Broadband Project Manager
NYS Department of Economic Development
633 Third Avenue
New York, NY 10017

Re: <<Project_Name>>, Project <<Project Number>>
Bankruptcy Filing or Default on Debt Obligations

Dear _____:

In preparation for closing on the above-referenced project, [name of CPA firm] has performed the procedures enumerated below, which were agreed to by <<Orgn_Name_Client>> (the "Company") and Empire State Development ("ESD") (collectively the "specified parties"). The Company is responsible for its books and records and for notifying ESD of any materially adverse changes in its financial condition. These procedures are being performed solely to assist ESD in determining whether there has been a bankruptcy filing of the Company or whether the Company has experienced a default on any of its debt obligations subsequent to the date of the ESD Directors' approval of the project on <<Approval_Date>>.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

1. Obtain from the Company, their most recent historical financial statements that have been prepared subsequent to the project's approval date. Read the financial statements for the purpose of noting whether there is any indication that the company has filed bankruptcy or whether the entity has experienced a default on any of its debt obligations. Report as a finding any indication that the Company may have filed for bankruptcy or has experienced a default subsequent to the Project's approval date.

2. Request all minutes of the board of directors and other committee meetings since the date of the project's approval. If minutes are not available, obtain any abstracts or notes from such meetings. Read the minutes or abstracts and report as a finding any

indication that the Company has filed for bankruptcy or whether the entity has experienced a default on any of its debt obligations subsequent to the project's approval date.

3. Obtain a description and evaluation of any pending litigation, claims, or assessments and examine supporting documents, including legal correspondence. Report as a finding any indication that the Company may have filed bankruptcy filing or whether the entity has experienced a default on any of its debt obligations subsequent to the project's approval date.

4. Obtain or prepare an analysis of notes payable, long-term debt, capitalized lease obligations, and other financing transactions or arrangements, such as lines of credit that existed as of the project's approval date. Compare balances in the company's liability accounts to debt amortization schedules and, if applicable, to the terms of new debt agreements. Report any findings of default.

[Findings should be listed here. If there were no findings, the CPA should state "We found no exceptions or matters to report as a result of our procedures"]

We were not engaged to and did not conduct an audit or an examination, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

_____, CPA

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d\b\a EMPIRE STATE DEVELOPMENT
<<Project_Name>>, Project Number <<Project Number>>

EXHIBIT F-2: DOCUMENTATION OF PROJECT COSTS

[CPA Letterhead]

Report of Independent Accountants

Date

Contact: <<Contact_Name_Client>>,
<<Contact_Title_Client>>
<<Orgn_Name_Client>>
<<Street_Address_Client>>
<<CitySTZip_Client>>

Re: <<Project_Name>>, Project <<Project Number>>
Verification of Project Costs

We have performed the procedures enumerated below, which were agreed to by <<Orgn_Name_Client>> (the "Company") and Empire State Development ("ESD") (collectively the "specified parties"), solely to assist ESD in determining whether cost expenditures were incurred in a manner established by the project documents as follows:

Management is responsible for <<Orgn_Name_Client>>'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

1. Obtained the attached "Statement of Actual Costs" for the Project (<<Project_Name, <<Project_Number>>) prepared by the Company.

2. Agreed the total per the Statement of Actual Costs to the Company's financial accounting records – the fixed asset subledger (...or name appropriate financial record report)

3. For costs and expenses appearing on the Statement of Actual Costs, selected a sample for detailed testing of underlying transactions. [CPA will indicate method of selection, dollar value and percentage of items sampled.]

4. For each asset or expense item selected, obtained the supporting documentation, such as purchase orders, receiving reports, invoices and cancelled checks as deemed appropriate [CPA will indicate which documentation was used].

5. Examined the supporting documentation for sampled items, noting the invoice date, invoice number and invoice amount. Agreed the dollar amount on the invoice to the Company's financial accounting records (fixed asset subledger – or appropriate report name) and the statement of actual costs.

6. For each invoice examined, obtained the related wire transfer documentation noting the wire transfer date, number, and amount. Then, agreed the wire transfer amount to the vendor invoice amount.

7. For each asset or expense item selected, determined that such sampled item is a capital expense in accordance with applicable state and federal law.

[Summarize any exceptions, if applicable]

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties and is not intended to be and should not be used by anyone other than these specified parties.

(CPA)

Attachment: Statement of Actual Costs, (<<Project_Name>>, <<Project_Number>>)

Specified Party Contact Information:
Empire State Development
633 Third Avenue
New York, NY 10017
(«Project_Manager»)

EXHIBIT F-3: EQUITY EXPENDITURES* AND PROJECT COST** AFFIDAVIT

***Equity Amount** refers to the Grantee's share of the project cost, **not** the total project cost, and should not include financing from sources other than the Grantee.
****Project Cost** should correspond to the total stated in Exhibit F-2

STATE OF NEW YORK)
) ss.:
COUNTY OF)

The Undersigned, being duly sworn, deposes and says:

1. I,_____, am the_____ of _____ (the "Company"), a corporation [limited liability company; limited partnership select one] that is duly organized and validly existing under the laws of _____, and is authorized to do business and is in good standing in the State of New York.

2. I have read and know the contents of a certain Grant Disbursement Agreement (the "Agreement") executed by and between New York State Urban Development Corporation d/b/a Empire State Development ("ESD") and the Company dated the _____ day of _____, 20_____.

3. After having read and reviewed the Agreement, invoices and payments relating thereto, statements of cost and equity, and such other documents as I consider necessary to render the certifications contained herein, I do certify, on the Company's behalf, that the **equity* expenditures** by the Company were incurred in the manner set forth in the Agreement and such expenditures to date were equal to or greater than _____ Dollars ($_____).

I further certify, on the Company's behalf, that the costs for the project were incurred in the manner set forth in the Agreement, that all such costs are capital expenses in accordance with applicable state and federal law, and the **total cost of the project**** to date was equal to or greater than _____Dollars ($_____).

4. I make this affidavit and the certifications contained herein to induce ESD to disburse the grant under the terms of the Agreement, knowing that ESD will rely on the statements contained herein. I am aware that the swearing of a false oath is a Class A misdemeanor and may be a Class E felony.

_____
By:
Name:
Title:

Subscribed and sworn to before me
this _____ day of _____, 20

Notary Public

EXHIBIT G: PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN WITH RESPECT TO STATE CONTRACTS: REQUIREMENTS AND PROCEDURES

I. General Provisions

A. Empire State Development (ESD) is required to implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 ("MWBE Regulations") for all State contracts as defined therein, with a value (1) in excess of $25,000 for labor, services, equipment, materials, or any combination of the foregoing or (2) in excess of $100,000 for real property renovations and construction.

B. The Recipient of the subject Grant Disbursement Agreement (the "Recipient" and the "Contract," respectively) agrees, in addition to any other nondiscrimination provision of the Contract and at no additional cost to ESD, to fully comply and cooperate with the ESD in the implementation of New York State Executive Law Article 15-A. These requirements include equal employment opportunities for minority group members and women ("EEO") and contracting opportunities for certified minority and women-owned business enterprises ("MWBEs"). Recipient's demonstration of "good faith efforts" pursuant to 5 NYCRR §142.8 shall be a part of these requirements. These provisions shall be deemed supplementary to, and not in lieu of, the nondiscrimination provisions required by New York State Executive Law Article 15 (the "Human Rights Law") or other applicable federal, state or local laws.

C. Failure to comply with all of the requirements herein may result in a finding of non-responsiveness, non-responsibility and/or a breach of contract, leading to the withholding of funds or such other actions, liquidated damages pursuant to Section VII of this Appendix or enforcement proceedings as allowed by the Contract.

II. Contract Goals

A. For purposes of this Contract, the ESD hereby establishes an overall goal of __% for Minority and Women-Owned Business Enterprises ("MWBE") participation, __% for Minority-Owned Business Enterprises ("MBE") participation and __% for Women-Owned Business Enterprises ("WBE") participation (based on the current availability of qualified MBEs and WBEs).

B. For purposes of providing meaningful participation by MWBEs on the Contract and achieving the Contract Goals established in Section II-A hereof, Recipient should reference the directory of New York State Certified MWBEs found at the following internet address:

http://www.esd.ny.gov/mwbe.html

Additionally, Recipient is encouraged to contact the Division of Minority and Woman Business Development (518) 292-5250; (212) 803-2414; or (716) 846-8200) to discuss additional methods of maximizing participation by MWBEs on the Contract.

C. Where MWBE goals have been established herein, pursuant to 5 NYCRR §142.8, Recipient must document "good faith efforts" to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the Contract. In accordance with Section 316-a of Article 15-A and 5 NYCRR §142.13, the Recipient acknowledges that if Recipient is found to have willfully and intentionally failed to comply with the MWBE participation goals set forth in the Contract, such a finding constitutes a breach of contract and the Recipient shall be liable to the ESD for liquidated or other appropriate damages, as set forth herein.

III. Equal Employment Opportunity (EEO)

A. Recipient agrees to be bound by the provisions of Article 15-A and the MWBE Regulations promulgated by the Division of Minority and Women's Business Development of the Department of Economic Development (the "Division"). If any of these terms or provisions conflict with applicable law or regulations, such laws and regulations shall supersede these requirements.

B. Recipient shall comply with the following provisions of Article 15-A:

1. Recipient and subcontractors shall undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, EEO shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.
2. The Recipient shall submit an EEO policy statement to the ESD with the executed Contract.
3. If Recipient or subcontractor does not have an existing EEO policy statement, the ESD may provide the Recipient or subcontractor a model statement (see EXHIBIT G-1: M/WBE Participation/Equal Employment Opportunity Policy Statement).
4. The Recipient's EEO policy statement shall include the following language:
    a. The Recipient will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force.
    b. The Recipient shall state in all solicitations or advertisements for employees that, in the performance of the Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.
    c. The Recipient shall request each employment agency, labor union, or authorized representative of workers with which it has a collective

bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union, or representative will not discriminate on the basis of race, creed, color, national origin, sex age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Recipient's obligations herein.

d. The Recipient will include the provisions of Subdivisions (a) through (c) of this Subsection 4 and Paragraph "E" of this Section III, which provides for relevant provisions of the Human Rights Law, in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with the Contract.

C. EXHIBIT G-2: Staffing Plan

To ensure compliance with this Section, the Recipient shall submit a staffing plan to document the composition of the proposed workforce to be utilized in the performance of the Contract by the specified categories listed, including ethnic background, gender, and Federal occupational categories. Grantees shall complete the Staffing plan form and submit it as part of the executed Contract.

D. EXHIBIT G-3: Work Force Employment Utilization Report ("Workforce Report")

1. Once a contract has been awarded and during the term of Contract, Recipient is responsible for updating and providing notice to the ESD of any changes to the previously submitted Staffing Plan. This information is to be submitted on a quarterly basis during the term of the contract to report the actual workforce utilized in the performance of the contract by the specified categories listed including ethnic background, gender, and Federal occupational categories. The Workforce Report must be submitted to report this information.
2. Separate forms shall be completed by Recipient and any subcontractor performing work on the Contract.
3. In limited instances, Recipient may not be able to separate out the workforce utilized in the performance of the Contract from Recipient's and/or sub's total workforce. When a separation can be made, Recipient shall submit the Workforce Report and indicate that the information provided related to the actual workforce utilized on the Contract. When the workforce to be utilized on the contract cannot be separated out from Recipient's and/or subcontractor's total workforce, Recipient shall submit the Workforce Report and indicate that the information provided is Recipient's total workforce during the subject time frame, not limited to work specifically under the contract.

E. Recipient shall comply with the provisions of the Human Rights Law, all other State and Federal statutory and constitutional non-discrimination provisions. Recipient and subcontractors shall not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the

requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

IV. MWBE Utilization Plan

A. The Recipient represents and warrants that Recipient has submitted an MWBE Utilization Plan (EXHIBIT G-4) either prior to, or at the time of, the execution of the Contract.

B. Recipient agrees to use such MWBE Utilization Plan for the performance of MWBEs on the Contract pursuant to the prescribed MWBE goals set forth in Section II-A of this Exhibit.

C. Recipient further agrees that a failure to submit and/or use such MWBE Utilization Plan shall constitute a material breach of the terms of the Contract. Upon the occurrence of such a material breach, ESD shall be entitled to any remedy provided herein, including but not limited to, a finding of Recipient non-responsiveness.

V. Waivers

A. For Waiver Requests Recipient should use the Waiver Request Form (EXHIBIT G-5).

B. If the Recipient, after making good faith efforts, is unable to comply with MWBE goals, the Recipient may submit a Request for Waiver form documenting good faith efforts by the Recipient to meet such goals. If the documentation included with the waiver request is complete, the ESD shall evaluate the request and issue a written notice of acceptance or denial within twenty (20) days of receipt.

C. If the ESD, upon review of the MWBE Utilization Plan and updated Quarterly MWBE Contractor Compliance Reports determines that Recipient is failing or refusing to comply with the Contract goals and no waiver has been issued in regards to such non-compliance, the ESD may issue a notice of deficiency to the Recipient. The Recipient must respond to the notice of deficiency within seven (7) business days of receipt. Such response may include a request for partial or total waiver of MWBE Contract Goals.

VI. Quarterly MWBE Contractor Compliance Report

Recipient is required to submit a Quarterly MWBE Contractor Compliance and Payment Report (EXHIBIT G-6) to the ESD by the 10th day following each end of quarter over the term of the Contract documenting the progress made towards achievement of the MWBE goals of the Contract.

VII. Liquidated Damages/Recapture - MWBE Participation

A. Where ESD determines that Recipient is not in compliance with the requirements of the Contract and Recipient refuses to comply with such requirements, or if Recipient is

found to have willfully and intentionally failed to comply with the MWBE participation goals, Recipient shall be obligated to pay to the ESD liquidated damages or be subject to recapture of grant proceeds ("Recapture").

B. Such liquidated damages or Recapture shall be calculated as an amount equaling the difference between:

   1. All sums identified for payment to MWBEs had the Recipient achieved the contractual MWBE goals; and

   2. All sums actually paid to MWBEs for work performed or materials supplied under the Contract.

C. In the event a determination has been made which requires the payment of liquidated damages (and such identified sums have not been withheld by the ESD) or Recapture, Recipient shall pay such liquidated damages or Recapture to the ESD within sixty (60) days after they are assessed by the ESD unless prior to the expiration of such sixtieth day, the Recipient has filed a complaint with the Director of the Division of Minority and Woman Business Development pursuant to Subdivision 8 of Section 313 of the Executive Law in which event the liquidated damages or Recapture shall be payable if Director renders a decision in favor of the ESD.

Empire State Development

EXHIBIT G-1: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE PARTICIPATION / EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT

I,_____(CONTRACTOR REPRESENTATIVE), the _____ (AWARDEE/CONTRACTOR) agree to adopt the following policies with respect to the project being developed or services rendered at _____.

M/WBE PARTICIPATION (M/WBE)

This organization will and will cause its contractors and subcontractors to take good faith actions to achieve the M/WBE contract participations goals set by the State for that area in which the State-funded project is located, by taking the following steps:

(1) Actively and affirmatively solicit bids for contracts and subcontracts from qualified State certified MBEs or WBEs, including solicitations to M/WBE contractor associations.

(2) Request a list of State-certified M/WBEs from ESD's Office of Contractor and Supplier Diversity and solicit bids from them directly.

(3) Ensure that plans, specifications, request for proposals and other documents used to secure bids will be made available in sufficient time for review by prospective M/WBEs.

(4) Where feasible, divide the work into smaller portions to enhanced participations by M/WBEs and encourage the formation of joint venture and other partnerships among M/WBE contractors to enhance their participation.

(5) Document and maintain records of bid solicitation, including those to M/WBEs and the results thereof. Contractor will also maintain records of actions that its subcontractors have taken toward meeting M/WBE contract participation goals.

(6) Ensure that progress payments to M/WBEs are made on a timely basis so that undue financial hardship is avoided, and that bonding and other credit requirements are waived or appropriate alternatives developed to encourage M/WBE participation.

EQUAL EMPLOYMENT OPPORTUNITY POLICY (EEO)

(a) This organization will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing programs of affirmative action to ensure that minority group members are afforded equal employment opportunities without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on state contracts.

Empire State Development

EXHIBIT G-1: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE PARTICIPATION / EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT

(b) This organization shall state in all solicitation or advertisements for employees that in the performance of the State contract all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex disability or marital status.

(c) At the request of the contracting agency, this organization shall request each employment agency, labor union, or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of this organization's obligations herein.

(d) This organization will include the provisions of sections (a) through (c) of this agreement in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with the State contract.

Agreed on this _____ day of _____, 20_____.

By: _____
(SIGNATURE)

Print Name: _____

Title: _____

Minority Business Enterprise Liaison

_____ (Name of Designated Liaison) is designated as the Minority Business Enterprise Liaison responsible for administering the Minority and Women-Owned Business Enterprises- Equal Employment Opportunity (M/WBE-EEO) program.

M/WBE Contract Goals

__% Minority and Women's Business Enterprise Participation

__% Women's Business Enterprise Participation

_____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____

Empire State Development

EXHIBIT G-2: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

STAFFING PLAN

Submit with Bid or Proposal – Instructions on page 2

Solicitation No.:	**Reporting Entity:**	**Report includes Contractor's/Subcontractor's:**
Offeror's Name:		☐ Work force to be utilized on this contract ☐ Total work force ☐ Offeror ☐ Subcontractor **Subcontractor's Name:**
Offeror's Address:		

Enter the total number of employees for each classification in each of the EEO-Job Categories identified

EEO-Job Category	Total Work force	Work force by Gender		Work force by Race/Ethnic Identification													
		Total Male (M)	Total Female (F)	White (M)	White (F)	Black (M)	Black (F)	Hispanic (M)	Hispanic (F)	Asian (M)	Asian (F)	Native American (M)	Native American (F)	Disabled (M)	Disabled (F)	Veteran (M)	Veteran (F)
Officials/Administrators																	
Professionals																	
Technicians																	
Sales Workers																	
Office/Clerical																	
Craft Workers																	
Laborers																	
Service Workers																	
Temporary /Apprentices																	
Totals																	

PREPARED BY (Signature):	**NAME:** **TITLE:** **DATE:**	**TELEPHONE NO.:** **ALTERNATE TEL:** **EMAIL ADDRESS:**

Empire State Development

EXHIBIT G-2: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

STAFFING PLAN

General Instructions: All Offerors and each subcontractor identified in the bid or proposal must complete an EEO Staffing Plan (M/WBE 101) and submit it as part of the bid or proposal package. Where the work force to be utilized in the performance of the State contract can be separated out from the contractor's and/or Subcontractor's total work force, the Offeror shall complete this form only for the anticipated work force to be utilized on the State contract. Where the work force to be utilized in the performance of the State contract cannot be separated out from the contractor's and/or Subcontractor's total work force, the Offeror shall complete this form for the contractor's and/or Subcontractor's total work force.

Instructions:

1. Enter the Solicitation number that this report applies to along with the name and address of the Offeror.
2. Check off the appropriate box to indicate if the Offeror completing the report is the contractor or a subcontractor.
3. Check off the appropriate box to indicate work force to be utilized on the contract or the Offerors' total work force.
4. Enter the total work force by EEO job category.
5. Break down the anticipated total work force by gender and enter under the heading 'Work force by Gender'
6. Break down the anticipated total work force by race/ethnic identification and enter under the heading 'Work force by Race/Ethnic Identification'. Contact the M/WBE Permissible contact(s) for the solicitation if you have any questions.
7. Enter information on disabled or veterans included in the anticipated work force under the appropriate headings.
8. Enter the name, title, phone number and email address for the person completing the form. Sign and date the form in the designated boxes.

RACE/ETHNIC IDENTIFICATION:

Race/ethnic designations as used by the Equal Employment Opportunity Commission do not denote scientific definitions of anthropological origins. For the purposes of this report, an employee may be included in the group to which he or she appears to belong, identifies with, or is regarded in the community as belonging. However, no person should be counted in more than one race/ethnic group. The race/ethnic categories for this survey are:

- **WHITE** (Not of Hispanic origin) All persons having origins in any of the original peoples of Europe, North Africa, or the Middle East.
- **BLACK** a person, not of Hispanic origin, who has origins in any of the black racial groups of the original peoples of Africa.
- **HISPANIC** a person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.
- **ASIAN & PACIFIC ISLANDER** a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands.
- **NATIVE INDIAN (NATIVE AMERICAN/ALASKAN NATIVE)** a person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition.

OTHER CATEGORIES:

- **DISABLED INDIVIDUAL** any person who:
  - has a physical or mental impairment that substantially limits one or more major life activity(ies)
  - has a record of such an impairment; or
  - is regarded as having such an impairment.
- **VIETNAM ERA VETERAN** a veteran who served at any time between and including January 1, 1963 and May 7, 1975.
- **GENDER** Male or Female

Empire State Development

EXHIBIT G-3: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

WORKFORCE EMPLOYMENT UTILIZATION REPORT

Contract No.:	**Reporting Entity:** ☐ Contractor ☐ Subcontractor	**Reporting Period:** ☐ January 1, 20_____ - March 31, 20_____ ☐ April 1, 20_____ - June 30, 20_____ ☐ July 1, 20_____ - September 30, 20_____ ☐ October 1, 20_____ - December 31, 20_____
Contractor's Name:	**Report includes:** ☐ Work force to be utilized on this contract ☐ Contractor/Subcontractor's total work force	
Contractor's Address:		

Enter the total number of employees in each classification in each of the EEO-Job categories identified.

EEO - Job Category	Total Work Force	Work force by Gender		Work force by Race/Ethnic Identification													
		Male (M)	Female (F)	White (M)	White (F)	Black (M)	Black (F)	Hispanic (M)	Hispanic (F)	Asian (M)	Asian (F)	Native American (M)	Native American (F)	Disabled (M)	Disabled (F)	Veteran (M)	Veteran (F)
Officials/Administrators																	
Professionals																	
Technicians																	
Sales Workers																	
Office/Clerical																	
Craft Workers																	
Laborers																	
Service Workers																	
Temporary / Apprentices																	
Totals																	

Empire State Development

EXHIBIT G-3: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

WORKFORCE EMPLOYMENT UTILIZATION REPORT

Submit the above completed form to:

Empire State Development
Office of Contractor and Supplier Diversity
633 Third Avenue, 33rd Floor
New York, NY 10017

General Instructions: The work force utilization (M/WBE **102)** is to be submitted on a quarterly basis during the life of the contract to report the actual work force utilized in the performance of the contract broken down by the specified categories. When the work force utilized in the performance of the contract can be separated out from the contractor's and/or subcontractor's total work force, the contractor and/or subcontractor shall submit a Utilization Report of the work force utilized on the contract. When the work force to be utilized on the contract cannot be separated out from the contractor's and/or subcontractor's total work force, information on the total work force shall be included in the Utilization Report. Utilization reports are to be completed for the quarters ended 3/31, 6/30, 9/30 and 12/31 and submitted to the M/WBE Program Management Unit within 15 days of the end of each quarter. If there are no changes to the work force utilized on the contract during the reporting period, the contractor can submit a copy of the previously submitted report indicating no change with the date and reporting period updated.

Instructions for completing:

1. Enter the number of the contract that this report applies to along with the name and address of the Contractor preparing the report.
2. Check off the appropriate box to indicate if the entity completing the report is the contractor or a subcontractor.
3. Check off the box that corresponds to the reporting period for this report.
4. Check off the appropriate box to indicate if the work force being reported is just for the contract or the Contractor's total work force.
5. Enter the total work force by EEO job category.
6. Break down the total work force by gender and enter under the heading 'Work force by Gender'
7. Break down the total work force by race/ethnic background and enter under the heading 'Work force by Race/Ethnic Identification'. Contact the M/WBE Program Management Unit at (518) 474-5513 if you have any questions.
8. Enter information on any disabled or veteran employees included in the work force under the appropriate heading.
9. Enter the name, title, phone number and email address for the person completing the form. Sign and date the form in the designated boxes.

Empire State Development

EXHIBIT G-3: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

WORKFORCE EMPLOYMENT UTILIZATION REPORT

RACE/ETHNIC IDENTIFICATION

Race/ethnic designations as used by the Equal Employment Opportunity Commission do not denote scientific definitions of anthropological origins. For the purposes of this report, an employee may be included in the group to which he or she appears to belong, identifies with, or is regarded in the community as belonging. However, no person should be counted in more than one race/ethnic group. The race/ethnic categories for this survey are:

- **WHITE** (Not of Hispanic origin) All persons having origins in any of the original peoples of Europe, North Africa, or the Middle East.
- **BLACK** a person, not of Hispanic origin, who has origins in any of the black racial groups of the original peoples of Africa.
- **HISPANIC** a person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.
- **ASIAN & PACIFIC ISLANDER** a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands.
- **NATIVE INDIAN (NATIVE AMERICAN/ALASKAN NATIVE)** a person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition.

OTHER CATEGORIES

- **DISABLED INDIVIDUAL** any person who:
  - has a physical or mental impairment that substantially limits one or more major life activity(ies)
  - has a record of such an impairment; or
  - is regarded as having such an impairment.
- **VIETNAM ERA VETERAN** a veteran who served at any time between and including January 1, 1963 and May 7, 1975.
- **GENDER** Male or Female

Empire State Development

EXHIBIT G-4: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE UTILIZATION PLAN

INSTRUCTIONS: This form must be submitted with any bid, proposal, or proposed negotiated contract or within a reasonable time thereafter, but prior to contract award. This MWBE Utilization Plan must contain a detailed description of the supplies and/or services to be provided by each certified Minority and Women-owned Business Enterprise (M/WBE) under the contract. Attach additional sheets if necessary.

Federal Employer Identification No. (FEIN):

Offeror's Name:

Offeror's Address:

City, State, Zip Code:

Telephone No.:

Region/Location of Work:

Solicitation No.:

Project No.:

M/WBE Goals in the Contract: MBE - % WBE - %

1. Certified M/WBE Subcontractors/Suppliers Federal Employer Identification Number (FEIN), Name, Address, Phone, Fax and Email Address.	2. Classification	3. Federal ID No.	4. Detailed Description of Work (Attach additional sheets, if necessary)	5. Dollar Value of Subcontracts / Supplies / Services and intended performance dates of each component of the contract.
A.	NYS ESD CERTIFIED ☐ MBE ☐ WBE			
B.	NYS ESD CERTIFIED ☐ MBE ☐ WBE			

Empire State Development

EXHIBIT G-4: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE UTILIZATION PLAN

6. IF UNABLE TO FULLY MEET THE MBE AND WBE GOALS SET FORTH IN THE CONTRACT, OFFEROR MUST SUBMIT A WAIVER REQUEST FORM (FORM E4).

PREPARED BY (Signature): _____ **DATE:**

Preparer's Name (Print or Type):

Preparer's Title:

Date:

SUBMISSION OF THIS FORM CONSTITUTES THE OFFEROR'S ACKNOWLEDGEMENT AND AGREEMENT TO COMPLY WITH THE M/WBE REQUIREMENTS SET FORTH UNDER NYS EXECUTIVE LAW, ARTICLE 15-A, 5 NYCRR PART 143, AND THE ABOVE-REFERENCED SOLICITATION. FAILURE TO SUBMIT COMPLETE AND ACCURATE INFORMATION MAY RESULT IN A FINDING OF NONCOMPLIANCE AND POSSIBLE TERMINATION OF YOUR CONTRACT.

TELEPHONE NO.:	**EMAIL ADDRESS:**

**** FOR OCSD-M/WBE USE ONLY ****

REVIEWED BY:	**DATE:**

UTILIZATION PLAN APPROVED?

☐ YES ☐ NO Date:

Contract No.:

Project No. (if applicable):

Contract Award Date:

Estimated Date of Completion:

Amount Obligated Under the Contract:

Description of Work:

NOTICE OF DEFICIENCY ISSUED?

☐ YES ☐ NO Date of Issue:

NOTICE OF ACCEPTANCE ISSUED?

☐ YES ☐ NO Date of Issue:

Empire State Development

EXHIBIT G-4: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE UTILIZATION PLAN

Waiver Applicant	
Offeror / Contractor Name:	Fed ID No.:
Address:	Solicitation/Contract No.:
City, State, Zip Code:	M/WBE Goals: MBE: ____ % WBE: ____ %

By submitting this form and the required information, the offeror / contractor certifies that every "Good Faith Effort" has been taken to promote M/WBE participation pursuant to the M/WBE requirements set forth under the contract. Review
5 NYCRR §142.8, Contractor's Good Faith Efforts, on page 2 of this form for the precise definition of "Good Faith Effort".

Contractor is requesting a:

1. ☐ MBE Waiver – A waiver of the MBE Goal for this procurement is requested.
   ☐ Total ☐ Partial
2. ☐ WBE Waiver – A waiver of the WBE Goal for this procurement is requested.
   ☐ Total ☐ Partial
3. ☐ Waiver Pending ESD Certification – (Check here if subcontractors or suppliers of Contractor are not certified M/WBE, but an application for certification has been filed with Empire State Development).

   Date of such filing with Empire State Development Corporation: _____

PREPARED BY (Signature): _____ Date: _____

SUBMISSION OF THIS FORM CONSTITUTES THE OFFEROR/CONTRACTOR'S ACKNOWLEDGEMENT AND AGREEMENT TO COMPLY WITH THE M/WBE REQUIREMENTS SET FORTH UNDER NYS EXECUTIVE LAW, ARTICLE 15-A AND 5 NYCRR PART 143. FAILURE TO SUBMIT COMPLETE AND ACCURATE INFORMATION MAY RESULT IN A FINDING OF NONCOMPLIANCE AND/OR TERMINATION OF THE CONTRACT.

Name and Title of Preparer (Printed or Typed):	**Telephone Number:**	**Email Address:**

Submit with the bid or proposal or if submitting after award submit to: **Empire State Development**	***** **FOR M/WBE USE ONLY** *****	
	REVIEWED BY:	**DATE:**

Empire State Development

EXHIBIT G-4: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE UTILIZATION PLAN

Office of Contractor and Supplier Diversity **633 Third Avenue, 33rd Floor** **New York, New York 10017**	**Waiver Granted:** ☐ **YES** **MBE:** ☐ **WBE:** ☐ ☐ **Total Waiver** ☐ **Partial Waiver** ☐ **ESD Certification Waiver** ☐ ***Conditional** ☐ **Notice of Deficiency Issued** _____ * **Comments:**

Empire State Development

EXHIBIT G-4: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE UTILIZATION PLAN

5 NYCRR §142.8 - Contractor's Good Faith Efforts

(a) The contractor must document its good faith efforts toward meeting certified minority and women-owned business enterprise utilization plans by providing, at a minimum:

(1) Copies of its solicitations of certified minority and women-owned business enterprises and any responses thereto;

(2) If responses to the contractor's solicitations were received, but a certified minority or woman-owned business enterprise was not selected, the specific reasons that such enterprise was not selected;

(3) Copies of any advertisements for participation by certified minority and women-owned business enterprises timely published in appropriate general circulation, trade and minority or women-oriented publications, together with the listing(s) and date(s) of the publication of such advertisements;

(4) Copies of any solicitations of certified minority and/or women-owned business enterprises listed in the directory of certified businesses;

(5) The dates of attendance at any pre-bid, pre-award, or other meetings, if any, scheduled by the State agency awarding the State contract, with certified minority and women-owned business enterprises which the State agency determined were capable of performing the State contract scope of work for the purpose of fulfilling the contract participation goals;

(6) Information describing the specific steps undertaken to reasonably structure the contract scope of work for the purpose of subcontracting with, or obtaining supplies from, certified minority and women-owned business enterprises.

(b) In addition to the information provided by the contractor in paragraph (a) above, the State agency may also consider the following to determine whether the contractor has demonstrated good faith efforts:

(1) Whether the contractor submitted an alternative utilization plan consistent with the subcontract or supplier opportunities in the contract;

(2) The number of certified minority and women-owned business enterprises in the region listed in the directory of certified businesses that could, in the judgment of the State agency, perform work required by the State contract scope of work;

(3) The actions taken by the contractor to contact and assess the ability of certified minority and women-owned business enterprises located outside of the region in which the State contract scope of work is to be performed to participate on the State contract;

(4) Whether the contractor provided relevant plans, specifications or terms and conditions to certified minority and women-owned business enterprises sufficiently in advance to enable them to prepare an informed response to a contractor request for participation as a subcontractor or supplier;

(5) The terms and conditions of any subcontract or provision of suppliers offered to certified minority or women-owned business enterprises and a comparison of such terms and conditions

Empire State Development

EXHIBIT G-6: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE CONTRACTOR COMPLIANCE AND PAYMENT REPORT

PROJECT SPONSOR/DEVELOPER
(or "REPORTING COMPANY"):
FEDERAL EIN #:
ADDRESS:
TOWN/COUNTY/ZIP:
CONTACT PERSON:
TELEPHONE:
EMAIL:

ESD/OCSD REPRESENTATIVE:
PROJECT NAME:
PROJECT #:
PROJECT START DATE:
PERCENT COMPLETE:
ACTUAL COMPLETION DATE:

Attach M/WBE executed contracts, final lien waivers, cancelled checks, etc., or other documentation describing the "Good Faith Efforts" taken to achieve M/WBE program. This report should be completed and signed by an officer of the Reporting Company.

PRIME CONTRACTOR (Federal EIN #, Firm's Name, Address, Contact Person, Title and Phone # with area code)	CONTRACT AMOUNT	M/WBE SUBCONTRACTOR (Federal EIN #, Subcontractor Name, Address, Contact Person, Title and Phone # with area code)	SCOPE OF SERVICES	M/WBE CONTRACT AMOUNT	M/WBE PAYMENTS PREVIOUSLY REPORTED	M/WBE PAYMENTS ON CURRENT REPORT	TOTAL M/WBE PAYMENTS TO DATE

CERTIFICATION: I, _____ (Print Name), the _____ (Title) of the Reporting Company above, do certify that (i) I have read this Compliance Report and (ii) to the best of my knowledge, information and belief, the information contained herein is complete and accurate.

SIGNATURE: _____ **DATE:** _____

**Send to:* Portfolio Management; Empire State Development; 633 Third Avenue; New York, NY 10017

Empire State Development

EXHIBIT G-6: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY

M/WBE CONTRACTOR COMPLIANCE AND PAYMENT REPORT

SUBMIT REPORT TO: OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY
EMPIRE STATE DEVELOPMENT
633 THIRD AVENUE, 33rd FLOOR
NEW YORK, NY 10017

Completed Exhibits may also be emailed directly to OCSD at ocsd@esd.ny.gov. All email submissions must include the name and contact information of the individual or firm submitting the information.

QUESTIONS? Please contact the OCSD's Project Managers or email the division at ocsd@esd.ny.gov.

Denise Ross
Project Manager, OCSD
(212) 803-3226
dross@esd.ny.gov

Capital District
North Country
Mohawk Valley
Mid-Hudson Region
New York City

Geraldine Ford
Project Manager, OCSC
(716) 846-8205
geraldine.ford@esd.ny.gov

Western New York
Finger Lakes
Southern Tier
Central New York
Long Island

EXHIBIT H: REPORT OF EMPLOYMENT

Intentionally Deleted

EXHIBIT I: SPECIAL PROVISIONS

In the event of any conflict between Exhibit A of this Agreement and any other provisions of this Agreement, the terms of such other provisions shall govern.

A. The following sections of the Terms and Conditions of this Agreement are waived: the reference to "Exhibit B", Reports & D&C Requirements; reference to "Exhibit C", Employment Goals; and reference to "Exhibit H", Employment Reporting Form (With Company's NYS Form 45 Attached).

If the company is not a corporation but a limited liability company (LLC):
In 8(c), reference to "corporation" shall mean limited liability company, reference to "incorporation" shall mean organization, and reference to "corporate" shall mean organizational.

If there is more than one location, either where the project takes place OR where jobs will be reported:
All references to "Project Location" shall mean "Project Locations."

If ESD's grant is to a public agency (e.g., an urban renewal agency), and being passed through to a Beneficiary, so the Grantee is not the one operating the business, add:
Paragraph 8(i) shall mean that Grantee and/or Beneficiary shall maintain or cause to be maintained business operations at the Project Location for the term of this Agreement.

If more than one entity is implementing project, the following language will be added:

Paragraph 24 is added to Terms and Conditions, as follows:

24. Joint and Several Liabilities

(a) As used herein, the term Grantee shall include all signatories hereto, if more than one, other than ESD. In such event the obligations, representations and warranties of Grantee hereunder shall be joint and several.

As used herein, the term Beneficiary shall include all signatories hereto, if more than one, other than ESD. In such event the obligations, representations and warranties of Beneficiary hereunder shall be joint and several.

EXHIBIT J: KEY PROJECT INDICATORS

<<Orgn_Name_Client>>, Project <<Project Number>>

To be determined

New York State Broadband Program Office

New York State Broadband Mapping Data Specifications

This document provides data specifications and delivery options for the New York State Broadband Mapping.

Overview

A. Wireline and Wireless Providers

Provider types will be represented in three categories:

1. **Broadband Provider:**
   An entity is a provider of broadband service connections to end user locations if any of the following conditions are met:
   - it owns the portion of the physical facility that terminates at the end user location;
   - it obtains unbundled network elements (UNEs), special access lines, or other leased facilities that terminate at the end user location and provisions/equips them at speeds over 768 Kilobytes per second (Kbps) downstream and 200 Kbps upstream, and can provide this service within 7-10 days without an extraordinary commitment of resources.
   - Or, it provisions/equips a broadband wireless channel to the end user location over licensed or unlicensed spectrum.

2. **Reseller:** Providers do not own the facilities that connect to the household; however, they meet the other requirements of a "Broadband Provider."

3. **Other:** This could include providers that own the facilities connecting to the household; however, does not provide internet service to consumers.

Definitions

For the purposes of this project, ESD recognizes the following definitions:

Address. A collection of information used to describe the location of a home, businesses organization. This shall include complete street address; city, town or village; and zip code.

Available. Broadband service is "available" to an end user at an address if a broadband service provider does, or could, within a typical service interval (7 to 10 business days) without an extraordinary commitment of resources, provision two-way data transmission to and from the Internet with advertised speeds of at least 6

megabits per second (Mbps) downstream and at least 1.5 Mbps upstream to the end user at the address.

Broadband. Data transmission technology that provides two-way data transmission to and from the Internet with advertised speeds of at least 6 megabits per second (Mbps) downstream and at least 1.5 Mbps upstream to end users, or providing sufficient capacity in a middle mile project to support the provision of broadband service to end users within the project area. NYS Still requires data submissions at all speed tier below 6 Mbps download and 1.5 Mbps upload.

Census Block. A Census Block Group is a geographical unit used by the United States Census Bureau which is between the Census Tract and the Census Block. It is the smallest geographical unit for which the bureau publishes sample data. Typically, Block Groups have a population of 600 to 3,000 people.

Every Census Block Group has a unique 12-digit FIPS code. The Block Group's unique identifier is the 12th digit of the FIPS Code. This number determines the first digit of all the census blocks contained within a block group. For instance, census Block Group 2 includes any block numbered 2000 to 2999.

End User. A residential or business party, institution or state or local government entity, including a Community Anchor Institution, that may use broadband service for its own purposes and that does not resell such service to other entities or incorporate such service into retail Internet-access services. Internet Service Providers (ISPs) are not "end users" for this purpose.

Street Segment. A shorter section of a street, usually between intersections and having a defined address range.

Data Submission Options for Wireline and Wireless Providers

A. Wireline Broadband Providers (cable modem, copper/DSL and fiber)

New York State's availability data is reported to the NYS Broadband Map at the Census Block level. In cases where a Census Block is greater than 2 square miles in area, data will be reported at the Street Segment level.

Wireline providers are asked to provide the following data:

1. **Availability Data:** (*one of the following three methods*)
   - Street Address level, use Table 1, OR
   - Street Segment level, use Table 3, OR
   - Census Block and Street Segment level, use Tables 2 and 3

   Street Address or Street Segment level data will be converted to Census Blocks and Street Segments for submission for any service areas outside of the Connect NY grant project footprint
2. **Address Level Data,** must be submitted for all project areas funded by the Connect NY grant. Address-level broadband data should indicate the location

of new broadband service being provided or upgraded within the service territory supported by the Grant.

3. **Subscriber Weighted Nominal Speeds**, use Table 5
4. **Middle Mile and Backbone Interconnection Points data**, use Table 6
5. **Provider Footprint**, use Table 7

B. Wireless Broadband Providers

Wireless providers are asked to provide the following data:

1. **Availability** data must be reported in a GIS-compatible format (e.g. ESRI, MapInfo). An accompanying metadata document is required
2. **Spectrum and Speeds**, use Table 4
3. **Subscriber Weighted Nominal Speeds**, use Table 5
4. **Middle Mile and Backbone Interconnection Points data**, use Table 6

Note: Wireline and Wireless templates are provided at www.dhses.ny.gov/ocs/broadband/.

C. Re-Submission

For all providers that submitted data in the previous rounds, we would like to make the resubmission process as easy as possible. Please contact us if you need alternate options:

- **No Change:** Upon notification from the provider, the previous round's data will be resubmitted.
- **Updated Data Options:**
  - Full Submission- resend all availability data, OR
  - Changes Only- send additions or deletions for availability data

Methods for Submitting Data to NYS

- **Secure FTP (File Transfer Protocol) website**

  1) Submit an FTP Site Access Request Form www.dhses.ny.gov/ocs/broadband/.
  2) You will be provided a User ID and password that will allow access to the OCS ftp site.

  Any previously established accounts need to be reactivated for the current round.

- **CD or DVD** - use password-protected secure.zip for data protection
- **Encrypted USB flash** - NYS will provide a flash drive
- **Hand delivery or OCS pick-up** - if your office is close to Albany, NY
- **Email (attach non-confidential files)** - (please note file size limit of 10 MB) nysbroadbandmapping@dhses.ny.gov
- **UPS/FedEx/ Priority Mail**
  Contact us if you would like to use OCS's UPS account for shipping.

If you would like additional information about these options, please contact us at nysbroadbandmapping@dhses.ny.gov or by calling (518) 242-5035.

Preparing Your Company's Data

The following Record Format tables describe the minimum required fields to be included with each data submission. Providers may add fields as needed to describe availability and service characteristics, or to uniquely identify each record.

Submit data in a spreadsheet, delimited text document, database, or GIS compatible format. Use an identifiable file naming convention. Example -- NY_*ProviderSpecificFRN* _availability.xxx

For GIS files, all polygons must be closed and non-overlapping with a single, unique identifier. Any variation in the values in any of the required fields necessitates the creation of a separate closed, non-overlapping polygon. GIS files must be accompanied by metadata or a plain text "readme" file that contains the coordinate system information.

Table 1: Address Availability and Service Characteristics

Field	Description	Type	Example
Provider Name	Provider Name	Text	ABC Co.
DBA Name	"Doing-business-as" name	Text	Superfone, Inc.
FRN	Provider's FCC Registration Number (https://fjallfoss.fcc.gov/coresWeb/publicHome.do)	Text	0048402202
Provider Type	1 = Broadband Provider; 2 = Reseller; 3 = Other	Text	1
Address	**Complete** street address including Zip Code. *Addresses can be reported as one text string as the example to the right illustrates* ***or*** *in separate fields by address component (see example fields below).*	Text	2340 W Herrick Rd N Pine Bush NY 12566
Add Number	House or Building number	Text	2340
Street Name	Full street name including pre and post direction (street components may also be parsed into separate fields).	Text	W Herrick Rd N
City		Text	Pine Bush
State		Text	NY
Zip Code		Text	12566
Technology of Transmission	Technology of Transmission available for the provision of service at the address *	Text	50
Maximum Advertised Downstream Speed	Speed Tier Code for the maximum advertised downstream speeds available at the address *	Text	8
Maximum Advertised Upstream Speed	Speed Tier Code for the maximum advertised upstream speed available at the address *	Text	5
Typical Downstream Speed	Speed Tier Code for the downstream data transfer throughput rate that most subscribers to service at the maximum advertised downstream speed (above) can achieve consistently during expected periods of heavy network usage *	Text	8
Typical Upstream Speed	Speed Tier Code for the upstream data transfer throughput rate that most subscribers to service at the maximum advertised upstream speed (above) can achieve consistently during expected periods of heavy network usage *	Text	5

**See Appendix for Technology and Speed Code Tables*

Table 2: Census Block Availability and Service Characteristics

Field	Description	Type	Example
Provider Name	Provider Name	Text	ABC Co.
DBA Name	"Doing-business-as" name	Text	Superfone, Inc.
FRN	Provider's FCC Registration Number (https://fjallfoss.fcc.gov/coresWeb/publicHome.do)	Text	0048402202
Provider Type	1 = Broadband Provider; 2 = Reseller; 3 = Other	Text	1
Census Block ID	**Census Blocks 2010** 15-digit numeric identifier for the US Census Block being reported.	Text	360010001001000
Technology of Transmission	Technology of Transmission available for the provision of service at the address *	Text	50
Maximum Advertised Downstream Speed	Speed Tier Code for the maximum advertised downstream speeds available within each census block *	Text	8
Maximum Advertised Upstream Speed	Speed Tier Code for the maximum advertised upstream speed available within each census block *.	Text	5
Typical Downstream Speed	Speed Tier Code for the downstream data transfer throughput rate that most subscribers to service at the maximum advertised downstream speed can achieve consistently during expected periods of heavy network usage *	Text	8
Typical Upstream Speed	Speed Tier Code for the upstream data transfer throughput rate that most subscribers to service at the maximum advertised upstream speed) can achieve consistently during expected periods of heavy network usage *	Text	5

**See Appendix for Technology and Speed Code Tables*

- New York State's Census Blocks are available at, www.dhses.ny.gov/ocs/broadband/
- If your company offers service via more than one technology within a single Census Block, please provide a separate record for each technology offered.

Table 3: Street Segment Availability and Service Characteristics

Field	Description	Type	Example
Provider Name	Provider Name	Text	ABC Co.
DBA Name	"Doing-business-as" name	Text	Superfone, Inc.
FRN	Provider's FCC Registration Number (https://fjallfoss.fcc.gov/coresWeb/publicHome.do)	Text	0048402202
Provider Type	1 = Broadband Provider; 2 = Reseller; 3 = Other	Text	1
Census Block ID	**Census Blocks 2010** 15-digit numeric identifier for the US Census Block being reported	Text	360010001001000
Street Name	Complete street name. (Separating the street name into component parts is also acceptable.)	Text	W Herrick Road N
Street Segment ID	**Unique identifier: US Census Bureau 2010 TIGER/Line Files** (9-digits). *If you wish to use a street line file other than 2010 TIGER lines, please contact OCS to review options.*	Text	*TIGER*: 221835907
Technology of Transmission	Technology of Transmission available for the provision of service at the address *	Text	50
Maximum Advertised Downstream Speed	Speed Tier Code for the maximum advertised downstream speeds available within each street segment *	Text	8
Maximum Advertised Upstream Speed	Speed Tier Code for the maximum advertised upstream speed available within each street segment *	Text	5
Typical Downstream Speed	Speed Tier Code for the downstream data transfer throughput rate that most *typical* subscribers to service at the maximum advertised downstream speed can achieve consistently during expected periods of heavy network usage *	Text	8
Typical Upstream Speed	Speed Tier Code for the upstream data transfer throughput rate that most subscribers to service at the maximum advertised upstream speed can achieve consistently during expected periods of heavy network usage *	Text	5

**See Appendix for Technology and Speed Code Tables*

Table 4: Wireless Availability and Service Characteristics

Field	Description	Type	Example
Provider Name	Provider Name	Text	ABC Co.
DBA Name	"Doing-business-as" name	Text	Superfone, Inc.
FRN	Provider's FCC Registration Number (https://fjallfoss.fcc.gov/coresWeb/publicHome.do)	Text	0048402202
Technology of Transmission	Technology of Transmission for the provision of service at the address (see Appendix for codes).	Text	71
Spectrum 1	**Cellular** Spectrum (824-849 MHz; 869-894 MHz)	Text	Y
Spectrum 2	**700 MHz** Spectrum (698-758 MHz; 775-788 MHz)	Text	Y
Spectrum 3	Broadband **Personal Communications Services Spectrum** (1850-1915 MHz; 1930-1995 MHz)	Text	Y
Spectrum 4	Is **Advanced Wireless Services Spectrum** (1710-1755 MHz; 2110-2155 MHz)	Text	N
Spectrum 5	**Broadband Radio Service/Educational Broadband Service Spectrum** (2496-2690 MHz)	Text	N
Spectrum 6	**Unlicensed** (including broadcast television "white spaces")	Text	N
Spectrum 7	***Specialized Mobile Radio (SMR)*** Service (817-824 MHz; 862-869 MHz; 896-901 MHz; 935-940 MHz)	Text	SMR
Spectrum 8	***Wireless Communications Service (WCS)*** spectrum (2305-2320 MHz; 2345-2360 MHz, 3650-3700 MHz)	Text	N
Spectrum 9	***Satellite*** (L-band, big LEO, Little LEO, 2 GHz)	Text	N
Spectrum 10	***Other***	Text	N
Maximum Advertised Downstream Speed	Speed Tier Code for the maximum advertised downstream speeds available within each polygon within a service area or local franchise area *	Text	6
Maximum Advertised Upstream Speed	Speed Tier Code for the maximum advertised upstream speeds within each polygon within a service area or local franchise area *	Text	4
Typical Downstream Speed	Speed Tier Code for the downstream data transfer throughput rate that most subscribers to service at the maximum advertised downstream speed (above) can achieve consistently during expected periods of heavy network usage *	Text	6
Typical Upstream Speed	Speed Tier Code for the upstream data transfer throughput rate that most subscribers to service at the maximum advertised upstream speed (above) can achieve consistently during expected periods of heavy network usage *.	Text	4

**See Appendix for Speed Code Tables*

Middle-mile and Backbone Interconnection Points (Table 6; all providers)

Middle-mile and Backbone Interconnection Points typically enable relatively fast data rates, and are built to handle substantial capacities. Examples might include points of interconnection enabling communications between:

- An ILEC's Central Office and the Internet
- A cable aggregation point (headend) and the Internet
- A wireless base station and the provider's core network elements that connect to other networks including the Internet.

A Digital Subscriber Line Access Multiplexer (DSLAM) is also an example of a Middle Mile interconnection point. Middle-mile and Backbone Interconnection Point information should focus on the connectivity at a point. That is, if a point at which network elements or segments are joined would not reasonably offer the possibility of connectivity with the network[s], it should not be reported.

Providers must submit a list of Interconnection Points of facilities that provide connectivity between:

a) A service provider's network elements (or segments) or
b) A service provider's network and another provider's network, including the Internet backbone.

Collectively, (a) and (b) are "middle-mile and backbone interconnection points."

Table 6: Middle-mile and Backbone Interconnection Points

Field	Description	Type	Example
Provider Name	Provider Name	Text	ABC Co.
DBA Name	"Doing-business-as" name	Text	Superfone, Inc.
FRN	Provider's FCC Registration Number (https://fjallfoss.fcc.gov/coresWeb/publicHome.do)	Text	0048402202
Provider Type	1 = Broadband Provider; 2 = Reseller; 3 = Other	Text	1
Ownership	Is the facility owned (0) or leased (1)?	Text	0
Serving Facility Capacity	Serving Facility Code (see below)	Text	1
Serving Facility Type	Type of transport facility (1=Fiber, 2=Copper, 3=Hybrid Fiber Coax {HFC}, 4=Wireless)	Text	1
Latitude	Latitude in decimal degrees (a minimum of 4 digits to the right of the decimal is required)	Double	42.65260
Longitude	Longitude in decimal degrees (a minimum of 4 digits to the right of the decimal is required)	Double	-73.75733
Street Address (if unable to provide coordinate data)	Complete street address including Postal Address City and Zip Code. *Street Addresses can be reported in separate fields by address components or as one text string (as the example to the right illustrates).*	Text	2340 W Herrick Road Pine Bush NY 12566

Elevation *	Elevation relative to grade to the nearest foot. (Positive integers indicate above-grade, negative indicate below-grade. See details below.)	Double	-10

***Elevation relative to grade** pertains to whether interconnection points are in vaults below grade (i.e., manhole accessible), in interconnection hotels (above grade), or as part of aerial plant (well above grade). Report the elevation of the point of **connectivity**, which will usually be zero for towers constructed on the ground. Use reasonable efforts to submit accurate elevation relative to grade data. In cases where this is not possible, estimates may be made.

Data may be submitted as a tabular list or as a GIS compatible file. If geographic coordinates of the points are not known, NYS can determine them from a location description, such as street address or distance from street intersections or other mapped landmarks.

Serving Facility Codes

Express the serving facility's capacity as currently configured:

Data Rate Code	Interconnection Point Data Rate
1	Multiple T1s and less than 40 mbps
2	Greater than 40 mbps and less than 150 mbps
3	Greater than 150 mbps and less than 600 mbps
4	Greater than or equal to 600 mbps and less than 2.4 gbps
5	Greater than or equal to 2.4 gbps and less than 10 gbps
6	Greater than or equal to 10 gbps

Provider Footprint

NYS requests that wireline service providers supply a service footprint. Provider footprints will be highly beneficial for data verification and other relevant uses.

Submit a GIS compatible file that identifies your company or organization's entire service area. Provider footprints can also be conveyed to NYS via hardcopy maps. If requested, the Broadband Mapping team will send you a hardcopy map of your general service area that can be marked up and returned. Please contact us if you would like a map sent for this purpose.

Cable providers may alternatively supply a list of towns or municipalities for which your company has franchise agreements to offer service.

Table 7: Provider Footprint

Field	Description	Type	Example
Provider Name	Provider Name	Text	ABC Co.
DBA Name	"Doing-business-as" name	Text	Superfone, Inc.
FRN	Provider's FCC Registration Number	Text	0048402202

	(https://fjallfoss.fcc.gov/coresWeb/publicHome.do)		
Provider Type	1 = Broadband Provider; 2 = Reseller; 3 = Other	Text	1

Appendix

Technology of Transmission Codes: Report the technology used by the portion of the connection that terminates at the end-user location. If different technologies are used for downstream and upstream information transfer, report the connection in the technology category for the **downstream** direction.

Technology Code	Description	Download Speed Tier	Upload Speed Tier
10	ADSL Asymmetric xDSL	3 - 10	2 - 9
20	SDSL Symmetric xDSL	3 - 9	2 - 9
30	Other Copper Wireline All copper-wire based technologies other than xDSL (e.g., Ethernet over copper or T-1)	3 - 11	2 - 11
40	Cable Modem – DOCSIS 3.0	9 - 10	2 - 7
41	Cable Modem – Other	3 - 7	2 - 7
50	Optical Carrier/Fiber to the End User Fiber to the home or business (does not include "fiber to the curb")	3 - 11	2 - 11
60	Satellite	3 - 5	2 - 4
70	Terrestrial Fixed Wireless – Unlicensed	3 - 7	2 - 7
71	Terrestrial Fixed Wireless – Licensed	3 - 7	2 - 7
80	Terrestrial Mobile Wireless	3 - 7	2 - 6
90	Electric Power Line	3 - 5	2 - 5
0	All Other Any specific technology not listed above	n/a	n/a

Speed Tier Codes: Please enter upload and download codes as "text" fields (rather than integers):

Upload Speed Tier	Download Speed Tier	Description
1	--	Less than or equal to 200 kbps
2	--	Greater than 200 kbps and less than 768 kbps
3	3	Greater than or equal to 768 kbps and less than 1.5 mbps
4	4	Greater than or equal to 1.5 mbps and less than 3 mbps
5	5	Greater than or equal to 3 mbps and less than 6 mbps
6	6	Greater than or equal to 6 mbps and less than 10 mbps
7	7	Greater than or equal to 10 mbps and less than 25 mbps
8	8	Greater than or equal to 25 mbps and less than 50 mbps

9	9	Greater than or equal to 50 mbps and less than 100 mbps
10	10	Greater than or equal to 100 mbps and less than 1 gbps
11	11	Greater than or equal to 1 gbps

EXHIBIT M: PROJECT FOOTPRINT

<<Orgn_Name_Client>>, Project <<Project Number>>

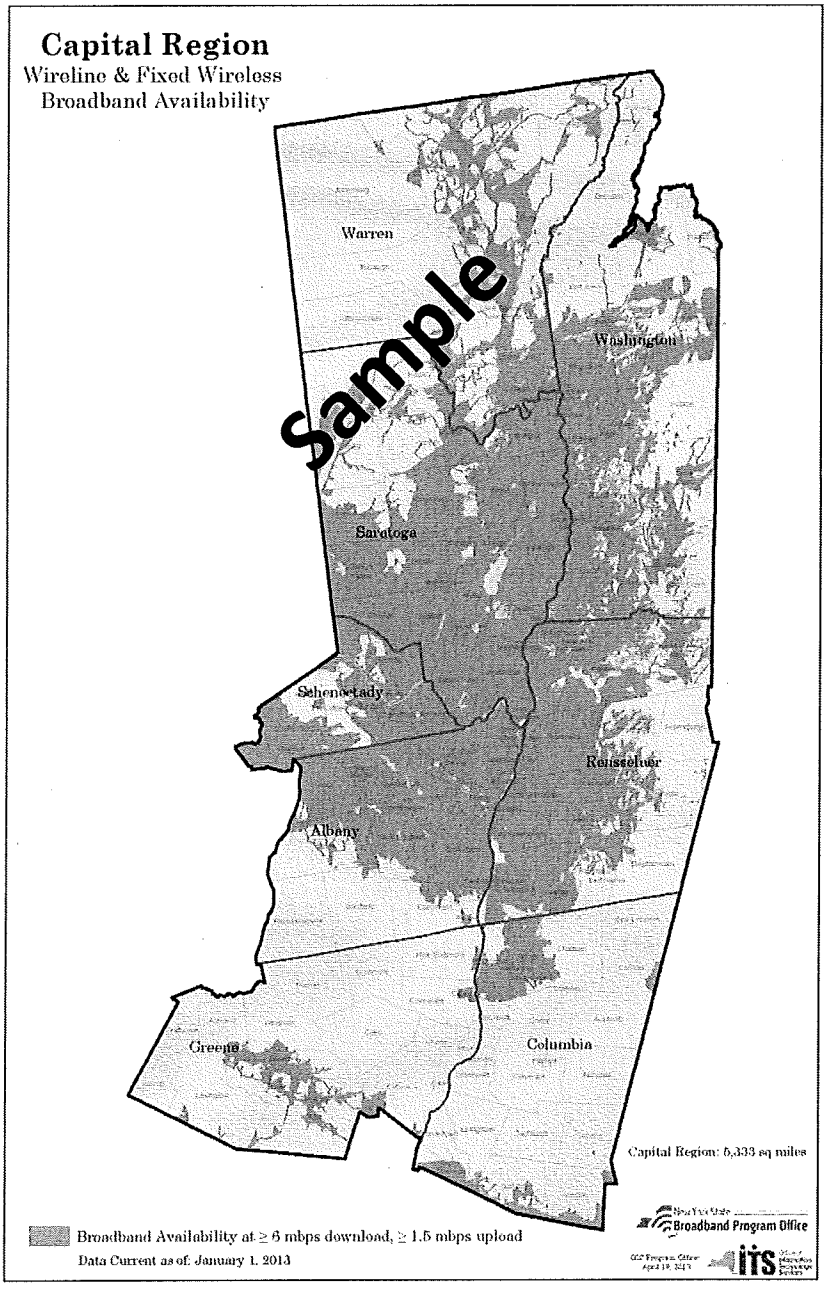


EXHIBIT N: NEW YORK STATE SERVICE AREA

<<Orgn_Name_Client>>, Project <<Project_Number>>

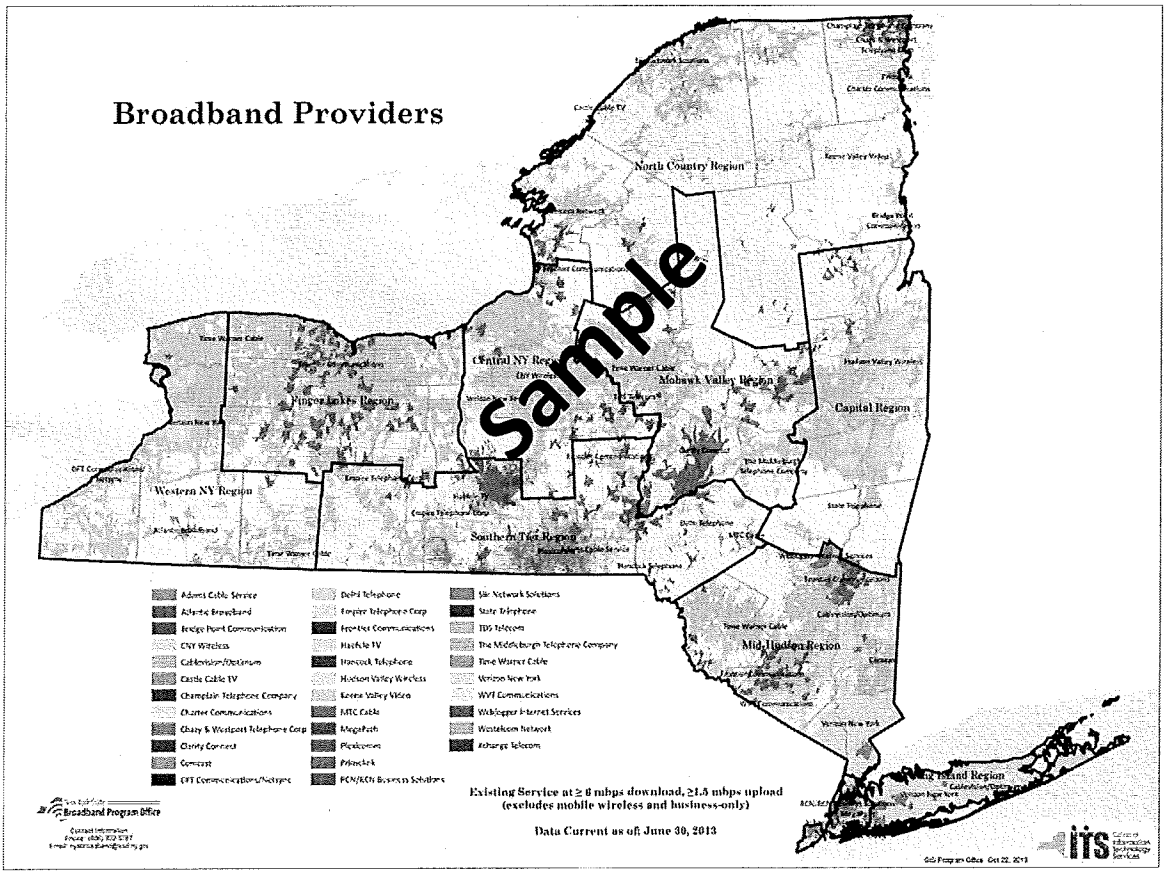


EXHIBIT O: PROJECT MILESTONES

<<Orgn_Name_Client>>, Project <<Project_Number>>

In consideration for the making of the Grant, Grantee has agreed to achieve the Milestones set forth in below.

Time Period	Quarter	Milestones
Year 1	Qtr. 1	• Order construction material. • Provide approvals to the Utility Companies to complete make-ready work. • Finalize network design and order construction material • Phase-3: Engage with Economic Development partners to survey residents in the proposed service areas to determine those with most interest in broadband services. • Hold discussions with Municipal Officials to determine priority builds dependent upon survey responses.
	Qtr. 2	• Phase-2: Commence construction and activation. Roll-out marketing campaign and educational programs in concert with our Economic Development partners. Connect subscribers #25-50. • Phase-3: Begin network design for final project routes as determined by survey and municipal guidance. Submit pole attachment applications to utility companies for attachment licenses along the pole routes. Submit initial construction material order. • Evaluate marketing and adoption efforts milestones
	Qtr. 3	• Phase-1: Segment completion. Connect subscribers # 50-55. • Phase-2: Complete construction and activation. Connect subscriber's # 55-150. • Phase-3: Continue Field Engineering and Commence Pole Attachment Application Process.
	Qtr. 4	• Phase-2: Marketing Completion: Connect subscribers #150-250. • Phase-3: Complete Field Engineering and Pole Attachment Applications. Complete Network Design.

Sample Milestones

EXHIBIT P: PROJECT MILESTONE REPORT

<<Orgn_Name_Client>>, Project <<Project_Number>>

Grantee shall submit, during the terms of this Agreement, the Milestone Report quarterly until the end of this agreement. Additionally, one final Milestone Report shall be submitted at the end of the term of this agreement that can demonstrate the milestones are substantially complete.

Time Period	Quarter	Milestones	Milestone Status Reporting Date: _____ to _____
Year 1	Qtr. 1	• Order construction material. • Provide approvals to the Utility Companies to complete make-ready work. • Finalize network design and order construction material • Phase-3: Engage with Economic Development partners to survey residents in the proposed service areas to determine those with most interest in broadband services. • Hold discussions with Municipal Officials to determine priority builds dependent upon survey responses.	
	Qtr. 2	• Phase-2: Commence construction and activation. Roll-out marketing campaign and educational programs in concert with our Economic Development partners. Connect subscribers #25-50. • Evaluate marketing and adoption efforts milestones	
	Qtr. 3	• Phase-1: Segment completion. Connect subscribers # 50-55.	
	Qtr. 4	• Phase-2: Segment completion. Connect subscribers #150-250.	

Sample Milestones

APPENDIX E

ADDITIONAL REQUIREMENTS FOR NOT-FOR-PROFITS

Any **not-for-profit** ("NFP") organization receiving a grant to be administered by ESD must be registered and up-to-date with its filing with the following three (3) systems: **Office of Attorney General's Charities Bureau** ("OAG"), certified in the **Office of the State Comptrollers' VendRep System** ("OSC") and prequalified with **New York State Grants Gateway** prior to ESD Directors approval and the execution of a Grant Disbursement Agreement or Loan Agreement.

1) New York State Grants Gateway

As part of Governor Cuomo's initiative to better serve the people of the State of New York, a web-based grants management system, Grants Gateway, was launched in spring 2013 to improve the way grants are administered by the State of New York. Grants Gateway also offers not-for-profit organizations a portal to search for available and anticipated grant opportunities, download grant opportunities, and register to receive email notifications when specific types of grant opportunities are posted.

Grants Gateway Prequalification Process

a. Register with the Grants Gateway

- The Registration Form is available for download at www.grantsreform.ny.gov. The Registration Form can be accessed by clicking the link at the top of the page in yellow labeled "Click HERE to access the Portal or browse for more information below".
- Include your State Financial System ("SFS") Vendor ID on the Registration Form; if you are a new vendor and do not have a SFS Vendor ID, include a Substitute Form W-9 with your signed, notarized registration (also available from the Grants Reform Web site).
- All Registration Forms must include an Organization Chart in order to be processed.
- Mail the completed Registration Form and Organization Chart that shows the Head of your Organization, and Substitute Form W-9 (if new vendor) to:

NYS Grants Reform

99 Washington Avenue

Room 1530

Albany, NY 12210-2814

When you receive your login information via email, log in and change your password. This password will allow access to the Grants Reform Web site.

b. **Associate your organization with a State agency (ESD)** by clicking on Organization(s) and then selecting Organization Information; complete all required fields.

If you have questions about the Prequalification application, please contact ESD's program representative, Greta Carter-Williams, at gcwilliams@esd.ny.gov or the Grants Reform Team by emailing GrantsReform@Budget.ny.gov with "Prequalification" in the subject line.

2) Attorney General's Charities Bureau

Information on registration is below:

OSC

E-mail: ciohelpdesk@osc.state.ny.us

Phone: Toll free: (866) 370-4672

Locally within the Albany NY area: (518) 408-4672

http://www.osc.state.ny.us/vendrep/info_vrsystem_vendor.htm

3) State Comptroller's VendRep System

OAG

E-mail: charities.bureau@ag.ny.gov

Phone: (212) 416-8401

http://www.charitiesnys.com/home.jsp

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Land Bank Program

REQUEST FOR: Approval of Land Bank Applications and Authorization to Take All Related Actions

---

I. Background

New York State's Land Bank Program (the "Program") was established with enactment of Article 16 of the New York State Not-for-Profit Corporation Law (the "Act"). The Legislative intent of the Act found and declared that New York's communities are important to the social and economic vitality of the state and that whether urban, suburban or rural; many communities are struggling to cope with vacant, abandoned and tax delinquent properties.

In order to combat the problem of vacant and abandoned properties, the Act permits local communities on their own, or together through the execution of intergovernmental agreements, to create not-for-profit corporation land banks to be utilized to facilitate the return of vacant, abandoned and tax-delinquent properties to productive use. The primary focus of land bank operations is the acquisition of real property that is tax delinquent, tax foreclosed, vacant and/or abandoned, and to use the tools of the Act to eliminate the harms and liabilities caused by such properties.

Pursuant to Section 1603 of the Act, the creation of a land bank is conditioned upon approval of the New York State Urban Development Corporation d/b/a Empire State Development ('ESD").

II. The Program Guidelines

ESD's role in this initiative is to approve applications from municipalities seeking to create land banks in their communities. Pursuant to the Act, the number of land banks state-wide was initially limited to ten, but has since been expanded to twenty. At its November 2011 Board meeting, the Directors approved guidelines for the Program which set forth the application process, eligibility criteria, evaluation criteria, the approval process and other terms and conditions regarding approval of applications (the "Guidelines").

Pursuant to the Guidelines, ESD moved forward with approving applications in multiple rounds from interested municipalities. The first round of applications were received by March 30, 2012 and as a result, five applicants were approved by the ESD Board at its meeting in May of 2012. Second Round applications were received by January 30, 2013 and as a result, three additional applications were approved. Since that time, ESD has opened up the application process and has approved three additional land banks. ESD will continue to accept applications until all twenty land banks are approved.

III. Recommendation

The Guidelines adopted by ESD cite the criteria in which ESD evaluated the applications. In general, the factors can be broken down into three categories: 1) the level of intergovernmental cooperation; 2) the need for a land bank; and 3) the likely success of the land bank as proposed. Based on staff review, it is recommended that the applications submitted by Oswego County and Nassau County be approved.

While both Counties are applying on their own, the proposed land banks do have broad support from local governments in their respective areas. Both applicants have pledged in-kind support to the land banks and have also demonstrated a significant problem with vacant, abandoned and tax foreclosed properties in their communities and have identified ideal properties that could be subject to land bank control. Based on the implementation plan and in-kind services presented in their applications, Oswego and Nassau Counties have made a strong case that the land bank will be successful in their community.

IV. 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), and in connection with the previous approval of land bank applications, the Directors made a Determination of No Significant Effect on the Environment at their meeting of May 17, 2012. This determination addressed all aspects of the proposed action. Therefore, no further environmental review is required in connection with this action.

V. Requested Actions

The Directors are requested to: 1) pursuant to Section 1603 of the Act, approve the creation of a land bank based on the applications submitted by Oswego County and Nassau County; and 2) take all related actions.

VI. Recommendation

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

Attachments

Resolution

January 21, 2016

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

---

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

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

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: LaGuardia Airport Design Competition

REQUEST FOR: Authorization to Receive and Disburse Funds and to Take Related Actions

---

I. Background

In early 2015, at the request of Governor Cuomo, the Port Authority of New York & New Jersey (the "Port Authority") commenced an international competition inviting aviation experts, architects, designers, planners and others to submit visionary Master Plans for the transformation and modernization of LaGuardia Airport ("LGA") for the 21st century. A total of six Master Plan designs were submitted. The contest materials provided for submissions to be reviewed by an Advisory Panel selected by the Governor and the recommendation of three finalist firms to receive an award of $250,000 each. A copy of the Advisory Panel's final report to the Governor is attached to this memorandum for your information.

In making final award decisions, the Port Authority considered the Advisory Panel recommendation as well as the following evaluation criteria: innovation in design; passenger amenities and experience; operational feasibility; environmental sustainability and storm resiliency; community impact, including noise; and financial feasibility. Contestants were also required to demonstrate a record of expertise and accomplishments in the aviation industry or large-scale master planning for transportation-related projects. Experience in airport master planning and/or development was considered a plus. Based on these factors, the following firms were selected to receive awards: Dattner Architects; PRESENT Architecture PLLC and SHoP Architects.

The Port Authority has identified funds available through the Port Authority's Regional Development Facility, which the Port Authority proposes to make available to ESD to disburse the Master Plan awards. ESD did not participate in the competition and its role would be limited to receiving from the Port Authority a total of $750,000 and making the disbursements to the three finalist firms. Prior to making the disbursements, ESD will enter into an agreement with the Port Authority under which ESD will be indemnified against any potential liability associated with the competition and the designs. In addition, disbursement of the awards will be contingent on, among other things, each recipient's execution of a general release in favor of ESD.

II. Requested Action

The Directors are requested to authorize staff to receive funds in the amount of Seven Hundred Fifty Thousand Dollars ($750,000.00) from the Port Authority of New York & New Jersey and to disburse awards of Two Hundred Fifty Thousand Dollars ($250,000.00) to each of the three finalists identified by the Port Authority on the terms and conditions set forth herein.

III. Environmental Review

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

IV. Recommendation

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

V. Attachments

Resolution
Report to the Governor from the Airport Advisory Panel (July 2015)

January 21, 2016

LaGuardia Airport Design Competition - Authorization to Receive and Disburse Funds and to Take Related Actions

---

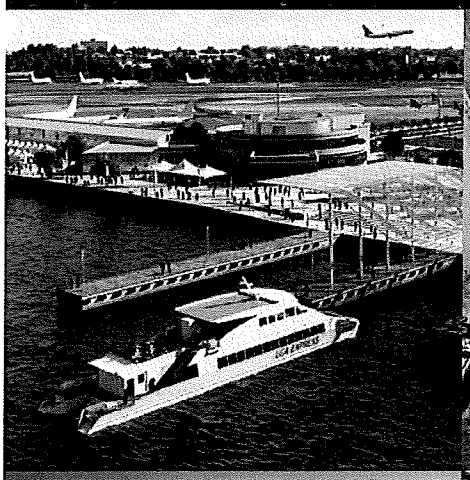
BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation is hereby authorized to receive funds in the total amount of Seven Hundred Fifty Thousand Dollars ($750,000.00) from the Port Authority of New York & New Jersey and to disburse awards of Two Hundred Fifty Thousand Dollars ($250,000.00) to each of the following three firms identified by the Port Authority, on the terms and conditions set forth in the Materials: Dattner Architects, PRESENT Architecture PLLC, and SHoP Architects; and be it further

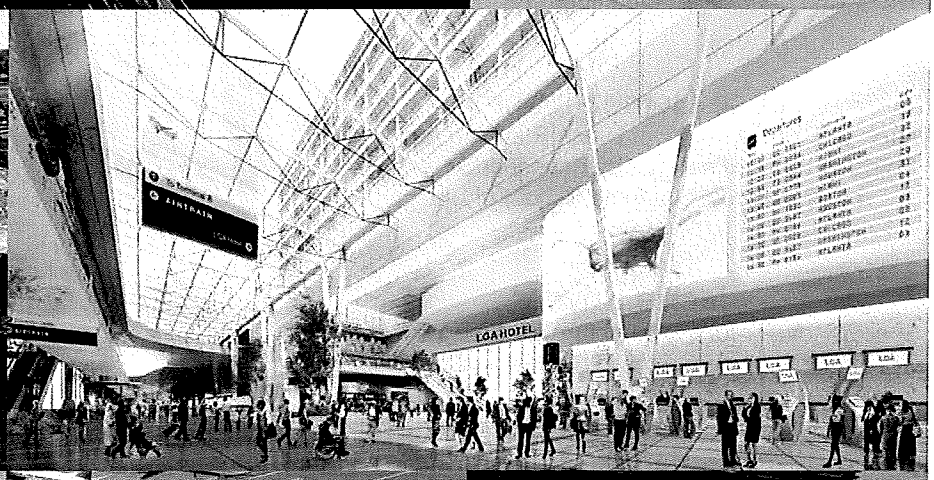
RESOLVED, that the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

A 21st Century Airport for the State of New York:

The *New* LaGuardia





A Report to the Governor from the Airport Advisory Panel:
Guiding Principles for a Comprehensive Airport Master Plan

July 27, 2015

Dear Governor Cuomo,

LaGuardia Airport plays a critical role as a gateway for the State of New York. It is responsible for nearly 12,000 jobs and served nearly 27 million passengers last year. Yet its development over the years has been disjointed and sporadic. The airport today is consistently rated as among the worst airports in the world in terms of its design, delays, and overall passenger experience – a 20th century airport overwhelmed by 21st century demands.

In order for the State of New York and the region to remain competitive, we must modernize and revitalize this critical gateway for the 21st Century, to enable us to maintain our competitiveness and maximize job creation and economic opportunities.

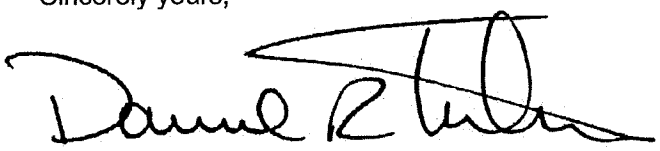
In January, you appointed me to Chair an Airport Advisory Panel to advise you and the Port Authority of New York & New Jersey on the modernization of LaGuardia and John F. Kennedy International airports. The Panel did a deep dive over the last seven months in reviewing LaGuardia and its issues, and taking on your challenge to think boldly and to develop a holistic master plan for an airport that the people of the State of New York and the region deserve. Attached is our report outlining our recommendations for a new, 21st Century LaGuardia Airport.

Our recommendations were inspired by your charge to not just remodel or rebuild the existing facilities. We focused on a comprehensive vision for the airport that has been lacking over the decades of its prior development. We put a focus on putting passengers first and improving their experience, starting with how they get to the airport. We also put an emphasis on how a new, modern airport can be a good neighbor to the people of Queens by reducing traffic and expanding job opportunities.

As Governor, you have consistently emphasized that we must get government moving, and deliver real results for the people of the State of New York. Towards that end, our report contains specific recommendations including next steps to ensure that this vision can be translated into an implementable master plan.

We thank you for the opportunity to serve, and look forward to seeing the vision of a new LaGuardia become a reality.

Sincerely yours,



Dan Tishman

On Behalf of the Airport Advisory Panel

CC: John Degnan, Chairman, Port Authority of New York & New Jersey
Scott Rechler, Vice-Chairman, Port Authority of New York & New Jersey
Board of Commissioners, Port Authority of New York & New Jersey
Patrick Foye, Executive Director, Port Authority of New York & New Jersey
Amanda Burden
Tony Collins
Jose Gomez-Ibanez
Queens Borough President Melinda Katz
Jackie Snyder
John Zuccotti

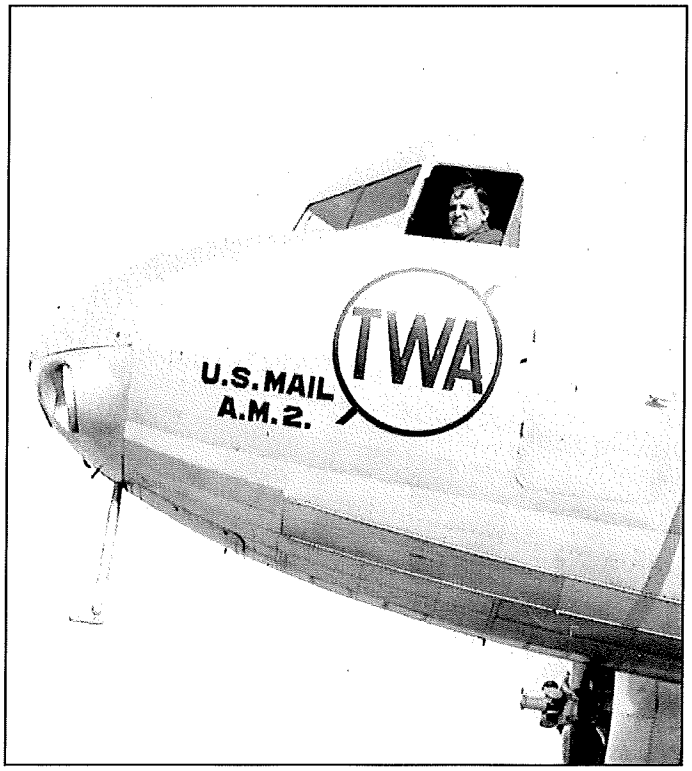
Ensuring Accountability and Progress

- Retaining a Master Planning Firm to advise the Port Authority and the Governor, to translate the Panel's recommendations into an implementable master plan, and to coordinate airport development for the long-term; and
- Establishing a new Port Authority Board Committee to oversee airport development and implementation of the master plan.

This report addresses LaGuardia Airport due to the unique nature of the airport, as well as the immediate need to synchronize the Panel's recommendations with the pending public private partnership construction project.

The Panel will issue recommendations concerning John F. Kennedy International Airport in the future.

In 1964, LaGuardia was called 'the air gateway to America . . .'



Profile of LaGuardia Airport

Opened in 1939, LaGuardia borders Flushing and Bowery bays in the northwestern section of Queens, NY, and has been operated by the Port Authority under a lease agreement with the City of New York since 1947. Today, nearly 12,000 employees work at the airport serving nearly 27 million passengers, making LaGuardia the 20th busiest airport in the country. The airport contributes approximately $16.3 billion in economic activity to the region, generating about 121,000 total jobs and $5.9 billion in annual wages.

Twelve airlines serve nearly 70 non-stop destinations from 73 gates spread across four passenger terminals:

Terminal A – Currently known as the Marine Air Terminal, the terminal was designated as a historic landmark in 1995 and serves nearly one million passengers annually. The terminal has six aircraft gates and is over a mile from the main airport.

Terminal B – Opened in 1964, Terminal B has 35 aircraft gates, serves eight airlines, and accounts for about half of the airport's total passengers.

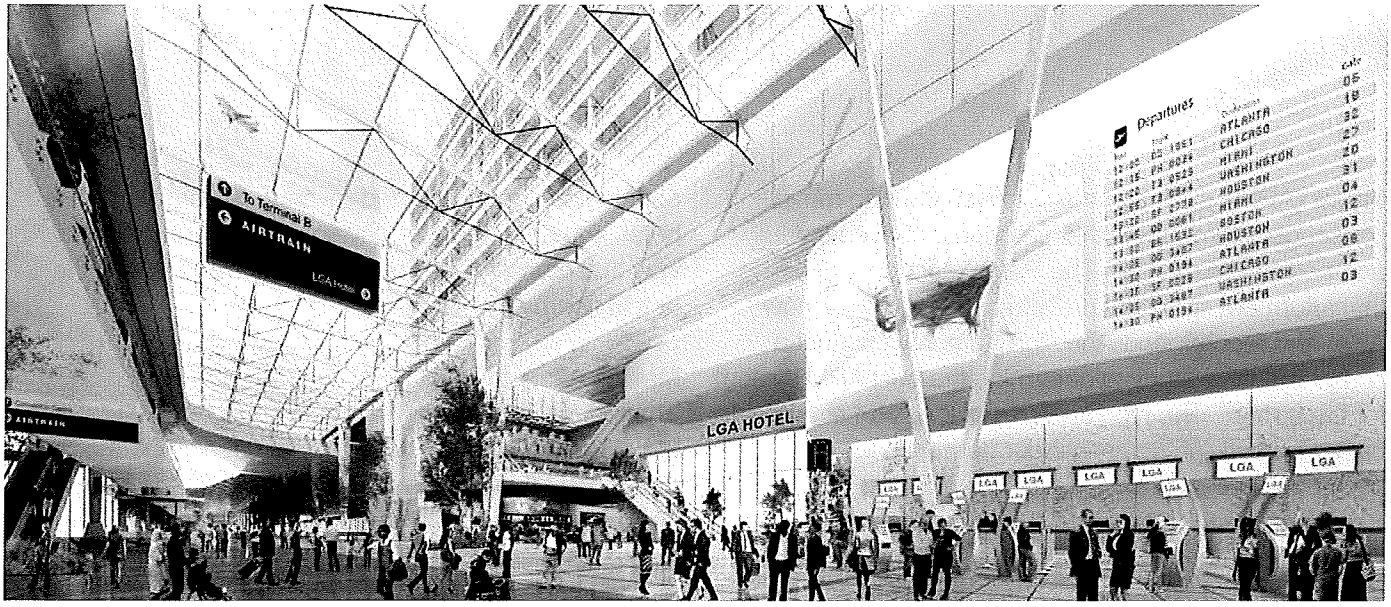
Terminal C – Opened in September 1992, Terminal C includes 22 aircraft gates operated by Delta Air Lines.

Terminal D – Constructed in June 1983 by Delta Air Lines at the east end of the airport, Terminal D has 10 gates and is connected by a pedestrian bridge to Terminal C.

Master Plan Design Competition

In October 2014, Governor Cuomo announced a master plan design competition for LaGuardia and JFK Airports to generate a vision on how to transform and modernize them for the 21st century. The Panel reviewed six submissions for LaGuardia that included a number of innovative concepts related to transportation access and overall airport design, which helped inform the Panel's final recommendations. The Panel narrowed down the field to three designs and has recommended that the contestants responsible for these designs[1] receive a one-time $250,000 payment for their work related to the design competition.

[1] SHoP Architects; Dattner Architects, and PRESENT Architecture PLLC



as aircraft can start up at any gate and have the flexibility to taxi in multiple directions.

LaGuardia Airport is also the only major airport in the region that does not provide non-stop service to the west coast. Due to a perimeter rule established by the Port Authority in 1984 to grow Newark Liberty International and JFK airports, flights into and out of the airport are limited to only 1,500 miles, with certain exceptions. The Port Authority is currently evaluating the impact (in regards to airport operations and passenger experience, as well as environment, noise and other issues) in modifying or lifting this rule. The Panel recommends that the physical redevelopment of the airport be carried out in a manner to be able to accommodate appropriate aircraft in the event the Port Authority Board amends the existing perimeter rule in the future.

Passenger-first Airport Experience
With best in-class amenities

Passengers at the new airport should intuitively understand the layout of the airport and where they need to go upon entering the terminal and central hall. The airport should be designed with generous height and openness to ensure a sense of orientation for passengers and facilitate efficient movement throughout the airport.

The redesigned airport should be an "airport of tomorrow" that can adopt and embrace innovations in technology that enhance passenger experience. Examples of these technological improvements include automated check-in, self service bag check-in, facial recognition and other technology to enhance and expedite security, and apps that provide passengers will real-time information on flight status, retail, dining, and entertainment options on-airport, as well as in Queens and throughout New York City.

New York is also home to some of the best dining and shopping experiences in the world and the new airport should be no exception. From global retail names to small, local, "only in New York" establishments, the airport should provide passengers a best in-class retail and dining experience that is worthy of, and unique to, the State of New York.

Airport People Mover

Today more than four million of LaGuardia's passengers connect to other flights at the airport. This number will only increase organically with the continued growth of air traffic. The number of connecting passengers could increase further if the Port Authority were to amend its perimeter rule for LaGuardia, which limits the distance of flights to and from the airport to only 1,500 miles, with certain exceptions.

The new airport should include an Airport People

Access to the Airport

Future Rail Connection

LaGuardia is the only major airport in the New York City region that is not accessible by rail. The New York Metropolitan Transportation Authority (MTA) has made a number of efforts to increase public transportation to and from the airport by select bus service, express bus service, and regular bus service. However, none of these options are as efficient and reliable as rail service. Passenger demand for rail to those airports that provide AirTrain service has done nothing but continue to increase. Since the AirTrain opened at JFK in 2003, ridership has increased 247 percent and last year saw a record ridership of 6.5 million passengers. At Newark Liberty International Airport, AirTrain ridership has increased by 137 percent since it was introduced in 2001.

The Panel supports Governor Cuomo's vision to bring rail service to LaGuardia from Willets Point. However, given the densely populated communities surrounding the airport, the Panel recommends that the Port Authority and the MTA work with the community to conduct the necessary evaluation and planning to determine the best method and route for rail service to LaGuardia that minimizes community impacts. In the interim, the Panel recommends that the Port Authority and the MTA expand upon existing service such as the M60 and Q70 bus service to increase public transportation access to LaGuardia.

Ferry Service

In 1987, Pan Am started a water taxi service from Wall Street (Pier 11) to the Marine Air Terminal. Delta Air Lines acquired the service and operated it until 2000. Since that time, with faster and more efficient watercraft, ferry service has become a more viable form of transportation.

The Panel recommends that the Port Authority explore a strategy for a ferry service operation to the Marine Air Terminal and, if feasible, to the east end of the airport as well. With the potential of integrating the Marine Air Terminal via an automated tram, the new ferry service would provide passengers with additional transportation options to travel to the airport.

Improved Road Configuration

The redevelopment of the airport presents an opportunity to address the confusing and inefficient road configuration, which results in inconvenienced passengers and increased congestion on both local roads and the Grand Central Parkway. The Panel recommends that the Port Authority develop a more efficient roadway configuration to improve traffic flow at the airport and reduce congestion on the surrounding roadway network, including the Grand Central Parkway, and, more importantly, on residential streets.

Hurricane Sandy flooded LaGuardia's runways, shutting down the airport for two days.

Sustainability

As an airport for the 21st century, the new airport should lead as a facility that is resilient and sustainable. The new terminal with its island-gate system is a more efficient terminal configuration that minimizes energy consumption. The new airside design and configuration should reduce taxi time and fuel burn. With an airport interior designed with generous height and openness, the airport should be able to better utilize natural light.

With its close proximity to Flushing and Bowery Bay, LaGuardia is also vulnerable to storm surge and flooding. That vulnerability and its larger impact were vividly demonstrated during Hurricane Sandy when approximately 100 million gallons of saltwater flooded the airport and shut it down for two days, impacting 250,000 passengers and causing an estimated economic loss to the region of roughly $108 million. The Port Authority has implemented a number of resiliency and storm mitigation projects to protect vital infrastructure and improve flood control at the existing facilities. The new airport should be designed so that critical infrastructure is elevated and protected in order to keep the airport operational during a flood event.

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO:	The Directors
FROM:	Howard A. Zemsky
SUBJECT:	Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Transformative Investment Program (Capital Grant)
REQUEST FOR:	Findings and Determinations Pursuant to Section 10 (g) of the UDC Act; Affirmation of the Proposed General Project Plan ("GPP"); Authorization to Make an Additional Grant and Take Related Actions

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General Project Plan

I. Project Summary

Grantee:	Brooklyn Navy Yard Development Corporation ("BNYDC")
Beneficiary Companies*:	Kent Steiner, LLC, 88 NT Associates, LLC, BNY Campus Associates, LLC, NYC Backlot, LLC jointly and severally *Each beneficiary company does business as Steiner Studios.
ESD** Investment:	A grant of up to $6,300,000 to be used for a portion of the cost of construction and related planning and design expenses. On July 16, 2015, the ESD Directors approved grants totaling $5,000,000 for the project. ** The New York State Urban Development Corporation, doing business as Empire State Development ("ESD" or the "Corporation")
Project Location:	East end of the Brooklyn Navy Yard, Brooklyn, Kings County
Proposed Project:	Implementation of Phase III of Steiner Studios' multi-phase master plan at Brooklyn Navy Yard, which includes predevelopment, design, site work, infrastructure, new construction of six soundstages (176,000 square feet), stabilization of existing structures and renovation of a 46,000-square-foot historic structure

Project Type: Business expansion

Regional Council: This is a priority project for the NYC Regional Economic Development Council ("Council") and was awarded grant funding as part of the second round of the Regional Economic Development Council initiative. The project is located in one of 15 areas of New York City designated by the Council as an Opportunity Zone. The project entails a major expansion of Steiner Studios, the largest tenant at the Brooklyn Navy Yard. Douglas Steiner, Chairman of Steiner Studios, is a member of the 31-person Council. In conformance with the Regional Council Code of Conduct, Mr. Steiner recused himself on votes endorsing this project. The Council includes six voting ex-officio members who are local elected officials but who are not permitted to make individual project recommendations.

II. Project Cost and Financing Sources

Financing Uses	Amount
Design	$5,200,000
Pre-development	1,750,000
Stabilization	750,000
Demolition & Abatement	2,400,000
Infrastructure Construction	22,600,000
Other Construction	104,400,000
Total Project Costs	$137,100,000

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD-Grant (Y439)*	$500,000	.4%	
ESD-Grant (Y440)*	4,500,000	3.3%	
ESD-Grant (Y653)	6,300,000	4.6%	
City of New York Grant	11,300,000	8.2%	
NYC Regional Center, LLC (EB5 Loan)	80,000,000	58.3%	4.45%/5 yrs.**/ 1st lien on RE
TBD***	24,500,000	17.9%	
Company Equity	10,000,000	7.3%	
Total Project Financing	$137,100,000	100%	

* The ESD Board of Directors approved Y439 and Y440 on July 16, 2015.

** The term of the EB 5 financing is 5 years with a 5 year renewal.

*** TBD is anticipated to consist of EB5, Historic Tax Credits, New Markets Tax Credits and/or loans.

III. Project Description

A. Company

Industry:	BNYDC leases the 300-acre Brooklyn Navy Yard from the City of New York and subleases to various light industrial tenants. The Brooklyn Navy Yard currently has more than 330 tenants that employ approximately 7,000 people. Steiner Studios is a Hollywood-style film and television production facility.
Company History:	The Brooklyn Navy Yard was established in 1801 and was once the site of one of the nation's most storied U.S. Navy ship-building facilities. Over the past two decades, the Brooklyn Navy Yard has emerged as a hub for the establishment and growth of small industrial businesses. Steiner Studios was opened in November 2004.
Ownership:	BNYDC is a not-for-profit local development corporation. Steiner Studios is privately owned.
Size:	BNYDC's four million square feet of leasable space has been at full capacity for more than five years. BNYDC is in the midst of an eight-building redevelopment that will generate over 1.5 million square feet of new light-industrial space. Steiner Studios is located on approximately 50 acres at Brooklyn Navy Yard, has 10 sound stages, including the largest one on the East coast, and an additional 235,000 square feet of support space.
Market:	BNYDC operates the Brooklyn Navy Yard as a modern industrial park. Steiner Studios is a full-service, state-of-the-art production facility, equipped for start-to-finish production of major motion pictures, independent films, television, broadcast commercials, photo shoots and music videos.
ESD Involvement:	As a result of the Governor's Regional Economic Development Council Initiative, BNYDC and Steiner Studios were awarded $11,300,000 through the Consolidated Funding Application ("CFA") to establish a media campus to further strengthen the transformational impact of the entertainment and media industry in the State of New York. On July 16, 2015, the ESD Directors adopted a General Project Plan for this project and authorized the making of two ESD grants totaling $5 million. The General Project Plan noted that ESD's total commitment to the project was anticipated to be $11,300,000, but that the balance of

$6,300,000 would be submitted to the Directors for approval once a funding source was identified. A public hearing was held on the project and no negative testimony was received. The General Project Plan, therefore, became effective at the close of the hearing. The current authorization is provided for in the GPP and no changes to the Project are being made so that no further public hearing is required.

Competition: While Steiner Studios did not identify alternate locations to implement the project, their present occupancy of the Brooklyn Navy Yard property rendered alternate sites irrelevant. This project will allow Steiner Studios to expand, and to continue to be the premier location for film and TV production in the eastern United States.

Past ESD Support: ESD is currently administering $6 million in grants and $12 million in New Markets Tax Credits to BNYDC for the overall redevelopment of 250,000 square feet of Buildings 28, 123 and 128 into the Green Manufacturing Center at the Brooklyn Navy Yard. To date, approximately $5,000,000 in grants has been disbursed for this project. In addition, ESD is currently administering $3.25 million in grants to BNYDC for the renovation of Building 128 to allow Macro Sea to become a tenant. No grant funds have been disbursed to date for this project.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Downstate Revitalization Fund	W932	$1,000,000	March 2011	December 2016	Capital Grant
Port Authority Transportation, Economic Development and Infrastructure Renewal	X771	$5,000,000	August 2012	December 2016	Capital Grant
Urban and Community Development	Y232	$1,250,000	August 2013	December 2018	Capital Grant
Port Authority Transportation, Economic Development and Infrastructure Renewal Accumulated Interest	Y622	$2,000,000	August 2013	December 2018	Capital Grant
Economic Development Fund	Y439	$500,000	July 2015	December 2018	Capital Grant
Regional Council Capital Fund	Y440	$4,500,000	July 2015	December 2018	Capital Grant

Lastly, Eponymous Associates, LLC d/b/a Steiner Studios is Empire Zone

certified in the North Brooklyn Empire Zone, effective March 29, 2004, and has reported using $10.265 million in Empire Zone benefits from 2004 through 2013.

B. The Project

Completion: December 2016

Activity: In partnership with BNYDC, Steiner Studios has developed a multi-phase master plan for the transformation of approximately 43 acres in the Brooklyn Navy Yard into a state-of-the-art, full-service Media Campus. Having successfully completed the first two phases of the master plan, Steiner Studios is now launching Phase III, which includes expanding onto the approximately 28 acre historic Naval Annex site and a vacant parcel along the Kent Avenue border of the Brooklyn Navy Yard.

Phase III includes the construction of six new soundstages (176,000 square feet) and the renovation of the historic Officer's Club (46,000 square feet). It also includes the installation of a gas/water/sewer/ electric/ teledata infrastructure loop on the approximately 28 acre Naval Annex that will allow future development of approximately 350,000 square feet of new space for media companies and academic partners in fifteen renovated historic structures and six new buildings, to be developed in Phases IV and V. Other key components of the infrastructure investment include the construction of a Grand Stair Plaza, Campus Pedestrian Passage and Kent Avenue Vehicular Entrance.

Results: Phases I and II of Steiner Studios' master plan, which have already been completed, established Steiner Studios as the premier location for film and TV production in New York City and the eastern United States. Phase III will cement this position by increasing production capacity and paving the way for creation of the Media Campus, which will be a one-of-a-kind facility, home to media companies and academic partners from across New York State to collaborate and foster the next generation of entertainment technology and content creation.

The Media Campus will also support the burgeoning Tech Triangle connecting the Brooklyn Navy Yard, DUMBO, and Downtown Brooklyn, providing much-needed space for the growth of tech businesses and media businesses from across New York City and New York State.

Over the next 12 years, it is anticipated that an additional $374 million in private investment, the creation over 2,500 permanent jobs and 2,600 construction jobs will occur at Steiner Studios, continuing the transformational impact of the media and entertainment industry on

New York State. It is estimated that at least 1,000 permanent jobs and 850 construction jobs will be created as a result of Phase III alone.

Infrastructure Investment Project:

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

- Fiscal benefits to NYS government from the project are estimated at $6,350,286;
- Fiscal cost to NYS government is estimated at $11,300,000*;
- Ratio of project fiscal benefits to costs to NYS government is 0.56:1;
- Fiscal benefits to all governments (state and local) are estimated at $11,771,287;
- Fiscal cost to all governments is $11,300,000*;
- The ratio of project fiscal benefit to cost ratio to all governments is 1.04:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at $67,226,568;
- The economic benefit to cost ratio is 5.95:1;
- Project construction cost is $137,100,000 which is expected to generate 676 direct job years and 364 indirect job years of employment;
- The payback period for NYS costs is 1 year.

See Project Summary Benefit-Cost Evaluation (attached) for detail and definitions.
*$5,000,000 of the $11,300,000 was previously approved by the ESD Board.

Grantee Contact:

David Ehrenberg, President
Building 292, 63 Flusing Avenue, Unit 300
Brooklyn, NY 11205
Phone: (718) 907-5908

Beneficiary Contact:

Douglas Steiner
15 Washington Avenue

Brooklyn, NY 11205
(718) 858-1600

ESD Project Nos.: Y439, Y440, Y653

Project Team:		
	Origination	Andrew Fletcher
	Project Management	Charise Liggins
	Legal	Simon Wynn
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Design & Construction	Joe Burkard, Paul Palazzo
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of ESD's standard form of Grant Disbursement Agreement, (which will include, without limitation, the Grantee and Beneficiary to defend, indemnify, insure and hold harmless ESD from and against any and all liability in connection with the Project), the Grantee/Beneficiary shall pay a commitment fee of 1% of the $6,300,000 capital grant ($63,000).

2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Beneficiary will be required to contribute a minimum of $10,000,000 of the total project cost in the form of equity contributed after December 19, 2012. Equity is defined as cash injected into the project by the Beneficiary or by investors, and should be auditable through Beneficiary financial statements or Beneficiary accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

   In addition, the Grantee will be required to contribute a minimum of $11,300,000 of the total project cost in the form of equity contributed after December 19, 2012. 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. NYC Grant funds are acceptable to count toward the Grantee's equity requirement.

4. Up to $6,300,000 will be disbursed to Grantee during the course of the project no more frequently than quarterly, in compliance with ESD's Design and Construction requirements, and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon 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. Expenses reimbursed by ESD's grant must be incurred on or after September 19, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $6,300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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 – Transformative Investment Program

The funding was authorized in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

The Steiner Studios project calls for initial infrastructure upgrades allowing for the renovation of fifteen existing structures along with the construction of six new buildings on 28 acres within the Brooklyn Navy Yard industrial park.

D&C will monitor construction progress and at its option attend construction meetings. D&C will review and approve contractor requisitions along with consultant invoices and verify that all requirements have been satisfied prior to the approval and release of ESD funds.

D&C will review preliminary design and completed construction documents and visit the site during construction. Each requisition will be fully reviewed and recommended for payment only when D&C requirements have been satisfied. The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

VI. 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), ESD Directors adopted SEQRA Findings on July 16, 2015 based on the Final Environmental Impact Statement ("FEIS") for the Steiner Studios Media Campus project. 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 FEIS and does not require additional environmental review under SEQRA.

VII. 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 authorization to adopt the GP approved by the Directors on February 19, 2015, ESD's Smart Growth Advisory Committee reviewed a Smart Growth Impact Statement ("SGIS"). This review found that the project is consistent with the State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria"). The designee of the Chief Executive Officer of the Corporation attested that the project, to the extent practicable, meets the relevant Smart Growth Criteria set forth in the SG Act. Therefore, no further smart growth public infrastructure review is required in connection with this action.

VIII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. BNYDC shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 40%. The overall goal shall include a 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. MBE participation requirements may not be substituted for WBE participation, or the reverse.

IX. ESD Employment Enforcement Policy

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

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

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

XI. Additional Submissions to Directors

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

January 21, 2016

Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Transformative Investment Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Affirmation of the Proposed General Project Plan ("GPP"); Authorization to Make an Additional Grant and 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 Brooklyn Navy Yard/Steiner Studios Capital -- Transformative Investment 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; and be it further

RESOLVED, that the Corporation does hereby affirm, 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 Brooklyn Navy Yard Development Corporation a grant for a total amount not to exceed Six Million Three Hundred Thousand Dollars ($6,300,000) from the Transformative Investment 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

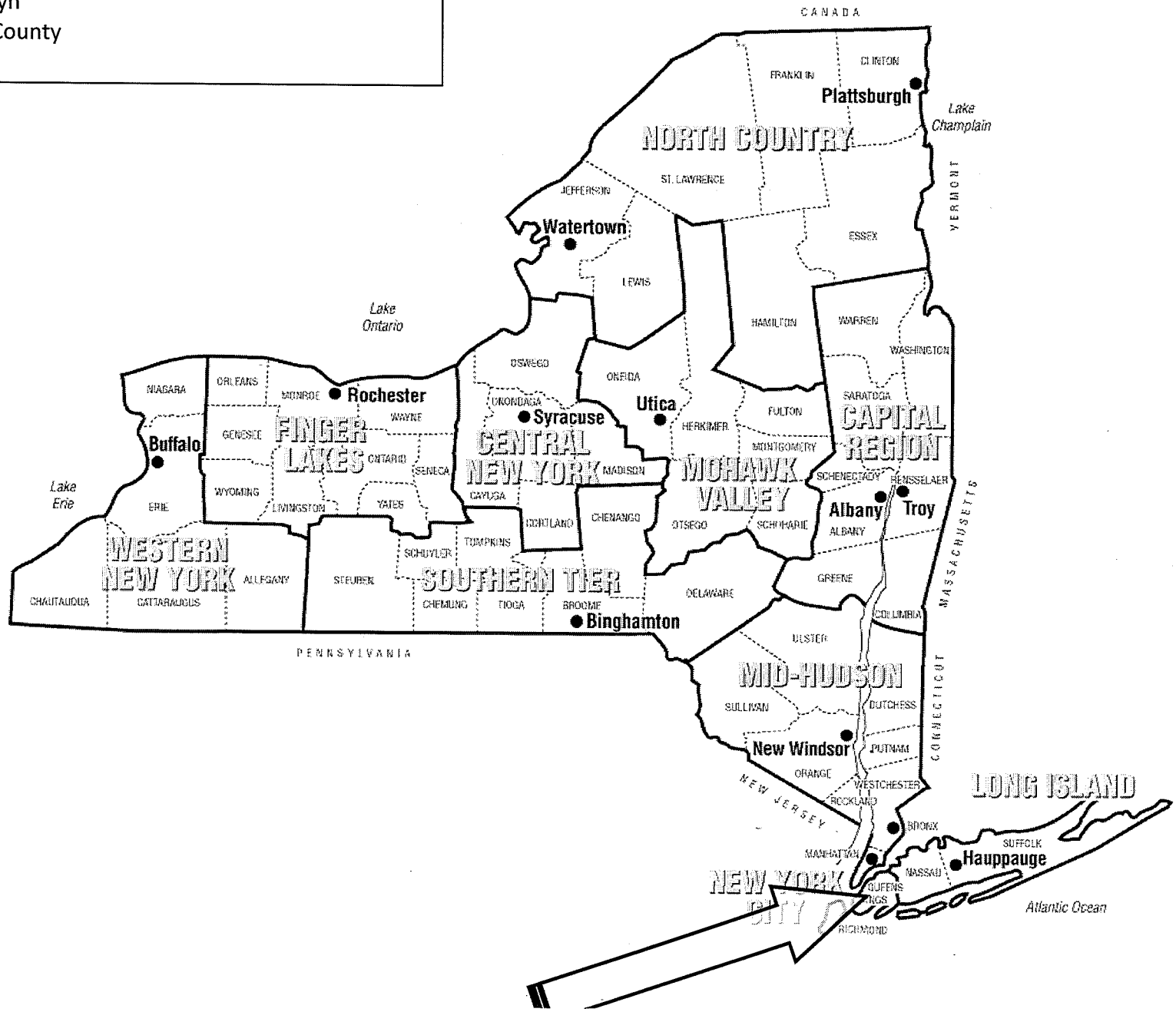
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

* * *

Brooklyn Navy Yard/Steiner Studios Capital
Brooklyn
Kings County



Project Summary
Benefit-Cost Evaluation[1]

Infrastructure Project
Brooklyn Navy Yard Development Corp.

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 676
Construction Job Years (Indirect): 364

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 Costs[3]	$11,300,000	$794,250	$11,300,000	$1,020,500
Fiscal Benefits[4]	$6,350,286	$2,085,600	$11,771,287	$4,271,980
Fiscal B/C Ratio	0.56	3.00	1.04	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$67,226,568	$119,468,000
Economic B/C Ratio	5.95	20.00

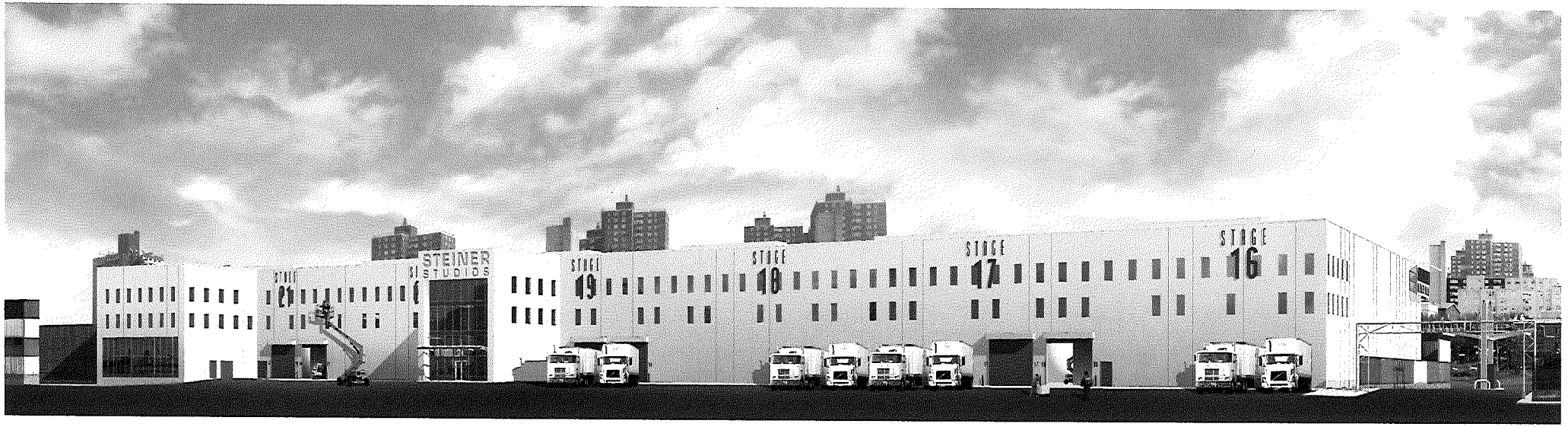
[1] Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

[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.

[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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

[5] Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.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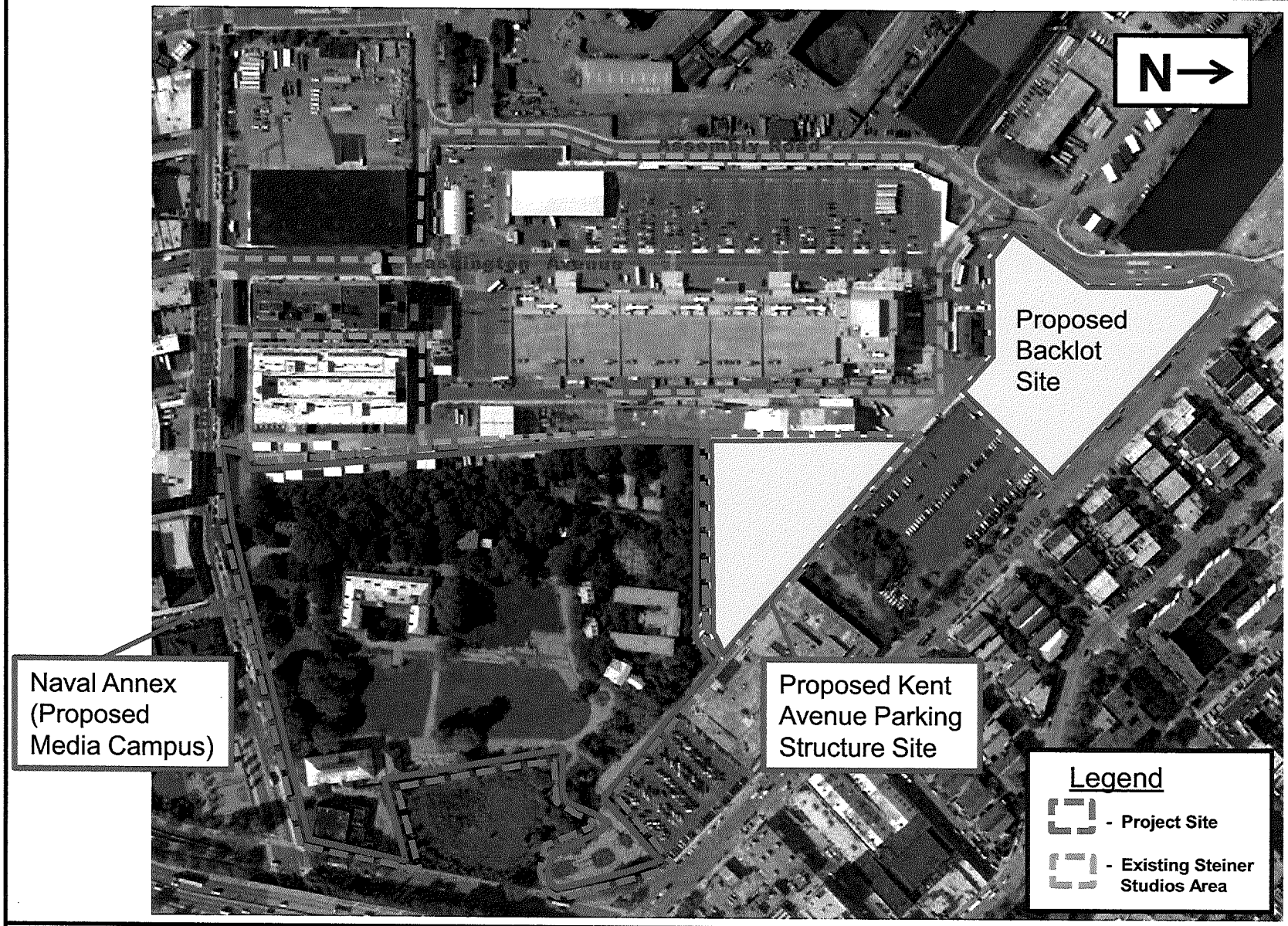

AECOM

Steiner Studios Media Campus EIS
Brooklyn Navy Yard

Project Area Map

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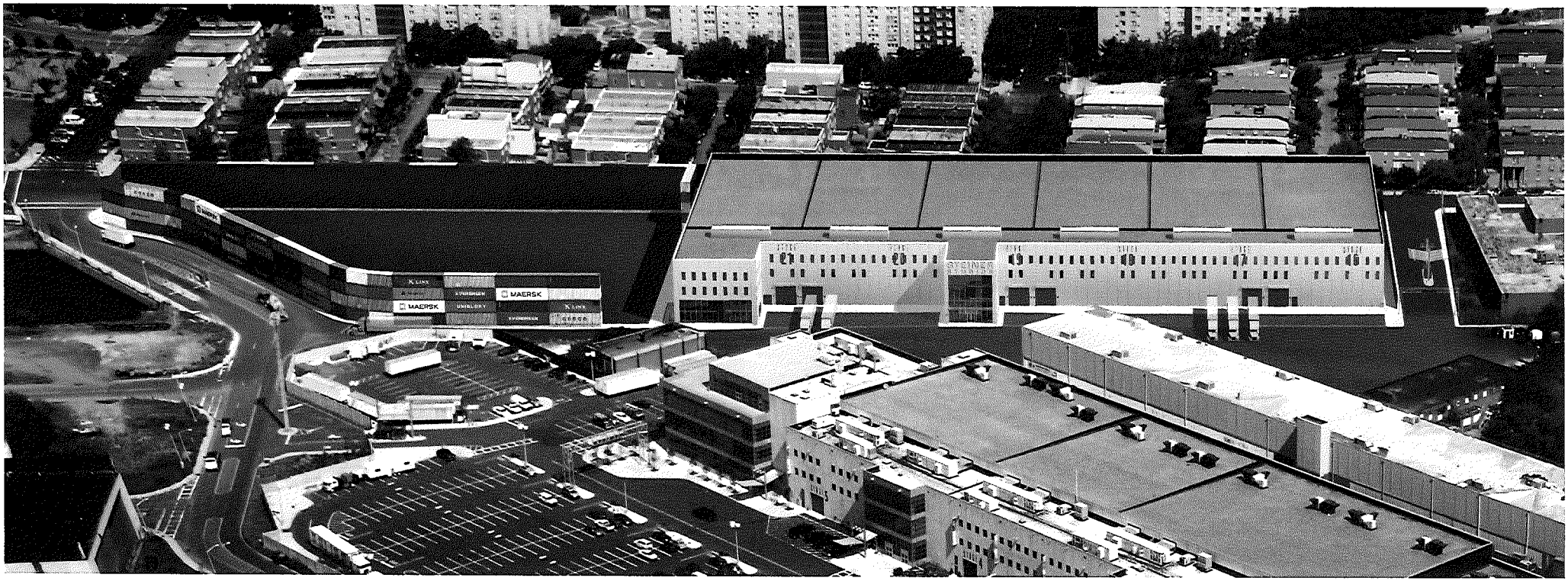
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FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project –Staten Island (New York City Region – Richmond County) – Empire Outlets Capital – Regional Council Capital Fund and Transformative Investment Program (Capital Grants)

REQUEST FOR: 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; Adoption of Findings Pursuant to the State Environmental Quality Review Act

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General Project Plan

I. Project Summary

Grantee: St. George Outlet Development, LLC dba Empire Outlets (the "Company")

ESD* Investment: Grants totaling up to $21,000,000 to be used for a portion of the cost of construction

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

Project Location: 25 Richmond Terrace, Staten Island, Richmond County

Proposed Project: Construction of a mixed-use development transforming underutilized land on the North Shore of Staten Island next to the Staten Island Ferry Terminal creating approximately 1.1 million square feet of space, which will include approximately 65-75 stores, approximately 8-12 restaurants, an approximate 200-room hotel, event space and 1,250 parking spaces

Project Type: Mixed-use development

Regional Council: The project is consistent with the New York City Regional Economic

Development Plan to accelerate economic growth and job creation by building on the city's strengths, while ensuring that economically distressed communities and populations have greater opportunities to participate in the benefits of growth. The NYC New York City Regional Economic Development Council has designated this project as a priority in its Round 3 and Round 5 progress reports.

II. Project Cost and Financing Sources

Financing Uses	Amount
Soft Costs	$23,632,500
Hard Costs	247,659,942
Furniture, Fixtures & Equipment/ Tenant Improvements	15,610,530
Contingency	17,500,000
Total Project Costs	$304,402,972

Financing Sources	Amount	Percent
ESD-Grant (Y793)*	$3,500,000	2%
ESD-Grant (AA394)*	1,000,000	1%
ESD-Grant (AA395)**	875,000	1%
ESD-Grant (AA399)***	16,500,000	5%
DASNY	25,000,000	8%
Staten Island Borough President	1,500,000	1%
New York City	25,250,000	8%
Senior Debt	175,000,000	57%
Subordinate Debt	12,500,000	4%
Company Equity	43,277,972	13%
Total Project Financing	$304,402,972	100%

* $3,500,000 from Regional Council Capital Fund (RC3) and $1,000,000 Regional Council Capital Fund (RC5)
** $875,000 from Market NY (RC5)
*** $16,500,000 from Transformative Investment Program

III. Project Description

A. Company

Industry: St. George Outlet Development LLC is a Brooklyn-based, full-service real estate developer owned and operated by three principals: Donald Capoccia, Joseph Ferrara and Brandon Baron. Since its inception, BFC has

concluded over $1.5 billion in acquisition and development projects throughout New York City.

Company History: St. George Outlet Development, LLC dba Empire Outlets was registered in August of 2012 as a result of the North Shore 2030 Study, which seeks to redevelop city-owned waterfront sites adjacent to the Staten Island Ferry Terminal.

Ownership: St. George Outlet Development LLC (the "Applicant") is an affiliate of BFC Partners, L.P. ("BFC"). BFC engages in acquisition, development, financing, construction, marketing, and management of residential projects.

Size: All facilities located in New York, NY.

Market: N/A

ESD Involvement: The Project was conceived as a result of the North Shore 2030 Study (the "Study"), which was a comprehensive report issued by the New York City Department of City Planning and New York City Economic Development Corporation ("NYCEDC") in 2011 after an extensive outreach process to local stakeholders, elected officials, and the community. To implement certain recommendations in the Study, NYCEDC issued a Request for Expressions of Interest for the redevelopment of certain waterfront sites (including the Project site), and St. George Outlet Development, LLC was selected.

St. George Outlet Development, LLC submitted a proposal under Round 3 of the Consolidated Funding Application ("CFA") to assist with the development of the site. As a result of the Governor's Regional Economic Development Council Initiative, the County was awarded $3.5mm through Round 3 of the CFA, $1mm through Round 5 of the CFA, $16.5mm through the Transformative Investment Program and $875,000 through the Market New York Program to assist with this priority project.

Competition: N/A

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

B. The Project

Completion: October 2017

Activity: The Grantee will construct a mixed-use development in order to allow for the transformation of sorely underutilized land on the North Shore of

Staten Island next to the Staten Island Ferry Terminal.

Results:

The Grantee will construct an approximately 365,000 square foot retail center, comprised of up to 65-75 designer outlet retailers and a variety of restaurants and cafes. The complex will also include a 200-room, 130,000-square-foot hotel, and a 15,000-square-foot banquet facility. The Applicant will also build a 1,250-space structured parking garage below the retail and hotel components to accommodate commuters and tourists alike (collectively, the "Project"). As a result of the project approximately 1,306 new permanent retail, entertainment and hospitality jobs and 1,267 temporary construction jobs will be created. The Project will feature open corridors to the water, contemporary materials reflective of the industrial waterfront, and a sustainable green roof visible from the harbor. Vertical circulation elements such as grand staircases, glass elevators, and streamlined escalators will guide shoppers as they move from the waterfront up to Richmond Terrace. Construction of the Project is expected to begin in early 2015 and be completed in 2017.

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 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.

- Fiscal benefits to NYS government from the project are estimated at $13,292,581;
- Fiscal cost to NYS government is estimated at $21,875,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.61:1;
- Fiscal benefits to all governments (state and local) are estimated at $28,515,472;
- Fiscal cost to all governments is $21,875,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 1.30:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at $180,308,864;
- The economic benefit to cost ratio is 8.24:1;

- Project construction cost is $304,403,000 which is expected to generate 1,449 direct job years and 752 indirect job years of employment;
- The payback period for NYS costs is three years.

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

Grantee Contact: Donald Capoccia, Principal
150 Myrtle Avenue, Suite 2
Brooklyn, NY 11201
Phone: (718) 422-9960

ESD Project No.: AA394, AA399, Y793

Project Team:

Origination	Joseph Tazewell
Project Management	Wilfredo Florentino
Contractor & Supplier Diversity	Denise Ross
Finance	Jonevan Hornsby
Design & Construction	Peter Topor
Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $21,000,000 ($210,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to $21,000,000 will be disbursed to Grantee as reimbursement for eligible expenses during the course of design and/or construction no more frequently than quarterly, in compliance with the Design & Construction Requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after September 23, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $21,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

D. Labor Peace

Public Authorities Law Section 2879-b prohibits public authorities from providing financing for any project that includes, as one of the principal functions, a hotel with more than fifteen employees unless a labor peace agreement ("LPA") is entered into with a labor organization representing hotel or convention center employees in the State, for a period of at least five years. An LPA is an agreement between the project developer (or its contractors) and a labor organization prohibiting the labor organization and its members from engaging in labor activities that disrupt the hotel's operations.

The Borrower entered into a labor peace agreement on January 6, 2015 with respect to the project.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 and 2015-2016 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Statutory Basis – Transformative Investment Program

The project was authorized in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

VI. Design and Construction

Design & Construction ("D&C") staff will review the project budget, project schedule, plans & specifications and visit the project's site to inspect construction progress. Upon substantial completion of the project and receipt of Certificate of Occupancy, D&C will review payment request documentation, in compliance with D&C Requirements, and recommend it for payment.

VII. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Environmental Impact Statement ("FEIS") certified as complete on August 29, 2013 by the New York City Department of Small Business Services, as lead agency, for the St. George Waterfront Redevelopment project, which includes the proposed Empire Outlets Capital project (the "proposed action").

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

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

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

- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act.

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

VIII. Smart Growth Public Infrastructure Review

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

IX. 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: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 20% and a Women Business Enterprise ("WBE") Participation Goal of 20% related to the total value of ESD's funding.

X. ESD Employment Enforcement Policy

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

XI. 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.

XII. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis
Project Finance Memorandum
Exhibit A: State Environmental Quality Review Involved Agency Findings Statement

January 21, 2016

Regional Council Award – Priority Project – Staten Island (New York City Region – Richmond County) – Empire Outlets Capital – Regional Council Capital Fund and Transformative Investment Program (Capital Grants) – 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 Empire Outlets Capital -- Regional Council Capital Fund and Transformative Investment Program (Capital Grants) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to St. George Outlet Development, LLC dba Empire Outlets grants for a total amount not to exceed Twenty One Million Dollars ($21,000,000) from the Regional Council Capital Fund and Transformative Investment 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.

* * *

January 21, 2016

Staten Island (New York City Region – Richmond County) – Empire Outlets Capital – Regional Council Capital Fund and Transformative Investment Program (Capital Grants) - Adoption of Findings Pursuant to the State Environmental Quality Review Act

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

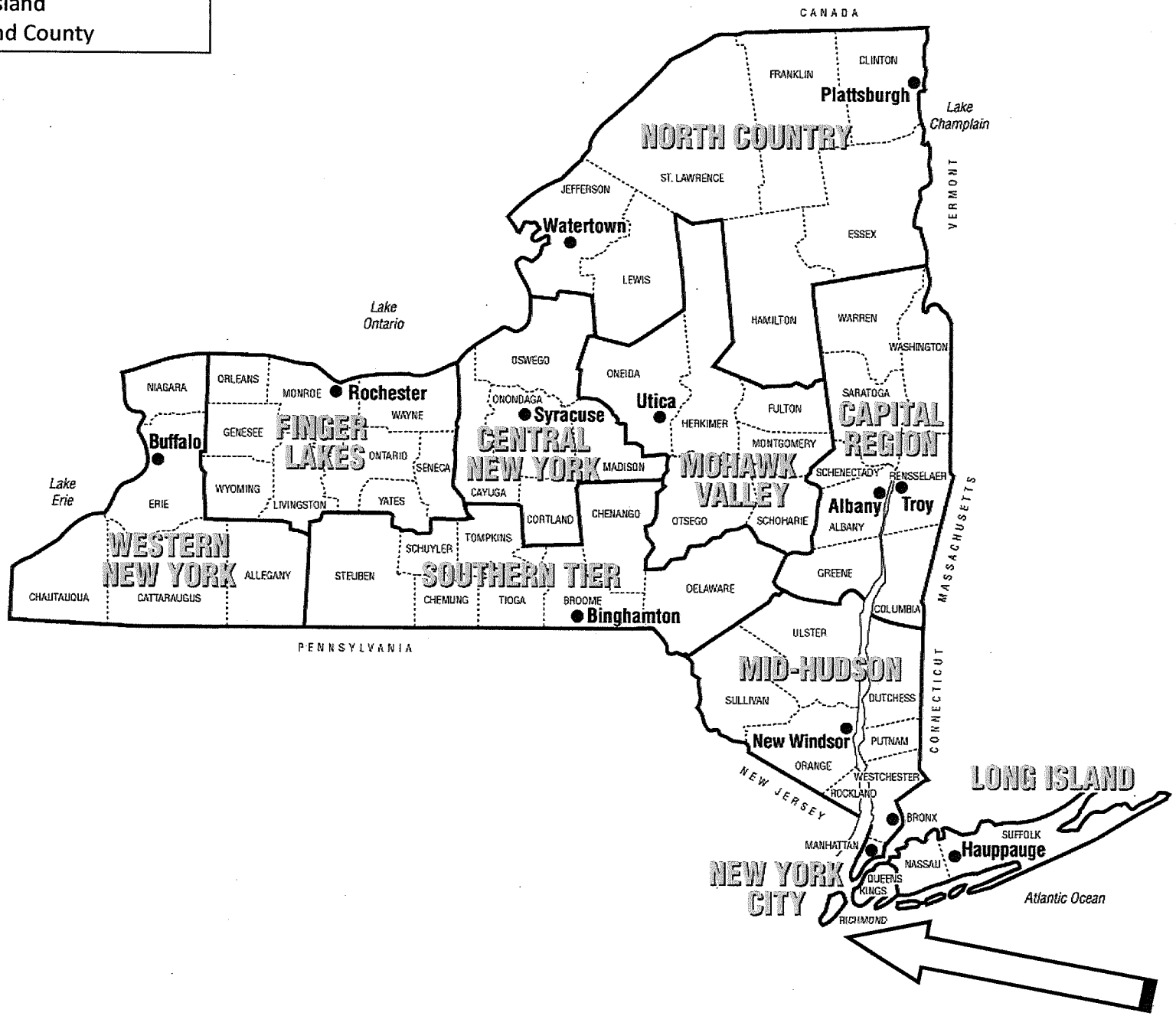
- The Corporation has given consideration to the Draft and Final Environmental Impact Statement ("DEIS" and "FEIS", respectively) prepared for the proposed the St. George Waterfront Redevelopment project, which includes the Empire Outlets Capital project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act;

and be it further

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

***

Empire Outlets Capital
Staten Island
Richmond County



Project Summary
Benefit-Cost Evaluation1

Economic Growth Project
Empire Outlets

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 1,449
Construction Job Years (Indirect): 752

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	$21,875,000	$794,250	$21,875,000	$1,020,500
Fiscal Benefits(Taxes)4	$13,292,581	$2,085,600	$28,515,472	$4,271,980
Fiscal B/C Ratio	0.61	3.00	1.30	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits5	$180,308,864	$119,468,000
Economic B/C Ratio	8.24	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.

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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

5 Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

EXHIBIT A

STATE ENVIRONMENTAL QUALITY REVIEW

INVOLVED AGENCY FINDINGS STATEMENT

Pursuant to Article 8 of the Environmental Conservation Law (State Environmental Quality Review Act [SEQRA]) and 6 NYCRR Part 617, the New York State Urban Development Corporation (UDC) d/b/a Empire State Development (ESD), as an involved agency under SEQRA, makes the following findings based on the Final Environmental Impact Statement (FEIS) issued on August 29, 2013 for the St. George Waterfront Redevelopment project.

Name of Action: Empire Outlets Capital Project

SEQRA Classification: Type I

Lead Agency: New York City Department of Small Business Services

Description of Proposed Action and Proposed Project

Empire State Development has received a funding request from St. George Outlet Development LLC ("SGOD") for its Empire Outlets project under ESD's Regional Council Capital Fund and Market NY Grant programs. The Proposed Action would consist of ESDs authorization of grants totaling up to $11,875,000 to be used for a portion of infrastructure costs for the Proposed Project. ESD is an involved agency in the SEQR review of the Proposed Project due to its role in providing grant funding. The Proposed Project involves the construction of approximately 1,100,000-gross-square-foot ("gsf") commercial development, including retail and hotel uses, in the St. George section of the borough of Staten Island, Richmond County, New York (the "Proposed Project"). The development site contains a Metropolitan Transportation Authority ("MTA") railroad right of way and surface parking for the adjacent Staten Island Ferry Terminal. ESD funds would be used primarily to fund infrastructure improvements necessary to transform the site.

The Proposed Project is a component of the St. George Waterfront Redevelopment Project that consists of two sites along the St. George Waterfront that would be developed simultaneously. The project sites, referred to as the "North Site" and the "South Site," are located adjacent to and on either side of the Richmond County Bank Ballpark (the Stadium), the home of the Staten Island Yankees minor league baseball team, and just north of the Staten Island Ferry St. George Terminal (the Ferry Terminal). Both sites are developed with surface public parking operated by New York City Economic Development Corporation (NYCEDC) and New York City Department of Transportation (NYCDOT) serving the commuter needs associated with the Ferry Terminal and the intermittent need for public parking when the Stadium is in use.

The North Site would be developed with the New York Observation Wheel (Observation Wheel, or Wheel), an approximately 625-foot-tall observation wheel providing panoramic views of New York Harbor and New York City, a 95,100-gross-square-foot (gsf) Wheel Terminal Building with various commercial, retail (including merchandising and restaurants), exhibition space, theater space, and accessory uses, and approximately 950 public and accessory parking spaces and 12 bus spaces. The North Site development would incorporate a green roof design that would provide publicly accessible landscaped active and passive open space beginning at Richmond Terrace, spanning the parking structure and Wheel Terminal Building beneath it, and offering residents and visitors of Staten Island a new open space with vistas of New York Harbor. The proposal also calls for decking over but not eliminating the railroad right of way (RROW) located adjacent to the proposed North Site parcel. The North Site parcel does not include the RROW. However, the proposed North Site boundary extends south to Richmond Terrace as the developer intends to deck over the RROW.

The South Site would be developed with the St. George Retail Development, which would include a 340,000 gsf terraced retail outlet center, a 130,000 gsf hotel, a 20,000 gsf catering facility, and approximately 1,250 public and accessory parking spaces. The South Site may be developed with an additional 25,000 gsf of retail space instead of the 20,000 gsf catering facility space and removing 5,000 gsf of back of house space (No Catering Facility Scenario). The South Site proposal calls for decking over but not eliminating the RROW located on the South Site.

In addition, a new waterborne transit landing may also be pursued as a third project component independent of the proposed North Site and South Site developments. The potential waterborne transit landing would be located adjacent to the Stadium at the end of the Wall Street Ramp. This potential waterborne transit would allow an additional means of travel to the project sites from landings in Manhattan, Brooklyn, Queens, and New Jersey.

Location of Proposed Project

The St. George Retail Development project sites are located on Staten Island Block 2 along the waterfront in northern Staten Island's St. George neighborhood, which is the civic center and transportation hub of Staten Island. The proposed project sites encompass two separate waterfront parcels that would be defined through the creation of new tax lots and new zoning lots created from two large tracts: one that formerly served as the rail yard and was subsequently developed with the Stadium and adjacent parking areas, and a second that is developed with parking and the Ferry Terminal.

NORTH SITE

The North Site parcel consists of an approximately 6.9-acre portion of Staten Island Block 2, Lot 20, which does not include the RROW. The proposed North Site parcel is under the jurisdiction of SBS. The Wheel developer intends to deck over the RROW. Including the area that would be decked over, the entire project site consists of an approximately 8.1-acre area. The proposed boundaries of the North Site are: to the north and northeast, Bank Street (an unmapped street that runs parallel to the shoreline); to the southeast, the Stadium; to the south, the retaining

wall at Richmond Terrace (including the RROW at the base of the retaining wall); to the west, the boundary that Nicholas Street would form if it continued through across Richmond Terrace. The North Site currently hosts a surface parking lot with 816 spaces and a portion of the RROW.

SOUTH SITE
The South Site consists of an approximately 7.9-acre portion of Staten Island Block 2, Lot 20, as well as portions of Block 2, Lots 1, 5, and 10. The South Site currently hosts a surface parking lot with 754 spaces (that will increase to 810 spaces in the No-Action condition) and a portion of the RROW. The site is under the jurisdiction of NYCDOT, DCAS, MTA and its subsidiary the Staten Island Rapid Transit Operating Authority (SIRTOA), and SBS. The proposed boundaries of the site are: to the north and northeast, Bank Street; to the east and southeast, the Ferry Terminal and related uses; to the south and southwest, the RROW and Richmond Terrace; and the Wall Street Ramp to the west and northwest. The South Site's proposed development includes the proposed decking over the RROW.

POTENTIAL WATERBORNE TRANSIT LANDING SITE
A waterborne transit landing may be included as part of the proposed project. The potential landing is currently envisioned as a single-bow, front- and side-loading floating barge that would be accessed from a gangway attached to the existing fixed pier that is adjacent to the Stadium at the end of the Wall Street Ramp. The potential landing would be a possible third project component that is not specifically tied to either the North Site or South Site developments.

Facts and Conclusions in the FEIS Relied Upon to Support the Findings:

1. This Findings Statement for the Empire Outlets Project (the "Proposed Project") has been prepared in compliance with the State Environmental Quality Review Act ("SEQRA"), codified at Article 8 of the New York Environmental Conservation Law ("ECL"), and its implementing regulations, promulgated at Part 617 of Title 6 of the New York Codes, Rules and Regulations ("N.Y.C.R.R."), which collectively contain the requirements for the State Environmental Quality Review ("SEQR") process.

2. The Proposed Project is a component of the St. George Waterfront Redevelopment Project, sponsored by the New York City Economic Development Corporation ("NYCEDC"). The St. George Waterfront Redevelopment Project required several approvals subject to the City of New York's Uniform Land Use Review Procedure ("ULURP"), including a zoning text amendment (ULURP №. N130316ZRR), zoning map amendment (№. C130315ZMR), property dispositions (№. C130319PPR and №. C130320PPR), and special permits (№. C130317ZSR and №. C130318ZSR) from the City Planning Commission ("CPC"). These approvals were granted by the CPC on September 11, 2013.

3. The New York City Department of Small Business Services ("SBS"), as City Environmental Quality Review ("CEQR") Lead Agency, made a determination that the Proposed Project was a Type I action pursuant to 6 N.Y.C.R.R. Part 617 and conducted a coordinated CEQR process

(CEQR №. 13SBS001R), issuing a Draft Environmental Impact Statement ("DEIS") on May 15, 2013, and a Final Environmental Impact Statement ("FEIS") on August 29, 2013.

4. Following completion of the ULURP process, the CPC adopted findings pursuant to SEQR as part of its commission report on the St. George Waterfront Redevelopment Project (see excerpt, attached). The CPC Findings Statement was issued on September 11, 2013.

5. ESD is an involved agency for the purposes of SEQR due to its Regional Council Capital Fund and Market NY grant approvals. ESD's Proposed Action is the authorization of grants totaling up to $11,875,000 for the Proposed Project.

6. This Findings Statement is based upon facts and conclusions contained in the FEIS. This SEQR Findings Statement represents ESD's compliance with SEQR for the Proposed Project.

7. The potential effects of the Proposed Project were adequately analyzed and disclosed in the FEIS (August 29, 2013) for the St. George Waterfront Redevelopment Project. The Proposed Project as currently contemplated would not engender any new significant adverse environmental impacts not previously disclosed in the FEIS.

8. The St. George Waterfront Redevelopment Project would engender significant adverse traffic impacts at 13 locations in the Weekday Midday peak hour; at 14 locations during the Weekday PM peak hour; 13 locations during the Saturday Midday peak hour; and 15 locations during the Saturday PM peak hour. The majority of these impacts could be fully mitigated through lane restriping, parking restrictions, turn movement restrictions, truck delivery restrictions, signage, street reversals, and signal timing changes. Certain of these impacts, however, would remain partially or fully immitigable. The impacts at the intersections of Richmond Terrace with the Staten Island Ferry Viaduct (car and bus) would remain immitigable during all four peak hours, while the impact at the intersection of Richmond Terrace and Hamilton Avenue would remain immitigable during the Saturday PM peak hour only.

9. The St. George Waterfront Redevelopment Project would engender a significant adverse subway facility impact at the Whitehall Street Station. During the Weekday PM peak hour, the northern platform stair at the south end of the downtown "R" train platform is projected to exceed capacity and would require widening. The mitigation measure necessary to mitigate this impact includes a widening of the stairway. According to the Metropolitan Transportation Authority – New York City Transit ("MTA-NYCT"), widening of this stairway is infeasible due to the physical constraints of the subway station; a widened station stair would necessitate a widened platform, which in turn would require realigning the tracks and an expansion of the overall station envelope. Therefore, the projected subway stairway impact is considered to be a significant and unavoidable adverse impact.

10. With the addition of St. George Waterfront Redevelopment Project-generated trips, the Staten Island Ferry could be significantly impacted based on the existing operational parameters and system throughput capacity determined by New York City Department of

Transportation ("NYCDOT"). (Throughput capacity is limited by the width of the boarding aprons and the ability to process passengers during the 6.5-minute time window currently allotted in the printed schedules.) However, the ferries and ferry terminals themselves would have sufficient on-board licensed capacity to accommodate the projected ridership. Potential mitigation measures to partially or fully mitigate the projected issues include the following: (1) Increase system capacity by increasing the width of the boarding aprons, which according to NYCDOT is currently the controlling factor in system capacity; ferries would also need to be modified to accept the wider boarding aprons; according to NYCDOT, this measure would take approximately 8 to 10 years to implement and would require significant capital investment; (2) Increase system capacity by increasing the frequency of sailings; this would reduce the number of passengers per sailing, but according to NYCDOT, would require a significant increase in operating cost for the Staten Island Ferry and time to recruit and train requisite personnel; and (3) Use timed ticketing and/or variable pricing for the Observation Wheel to spread out visitor arrivals and encourage visitation during time periods when ferry ridership is lower. As the feasibility of implementing any of the above measures has yet to be determined, the projected ferry impacts are currently considered to be unavoidable adverse impacts. The City of New York will work to develop potential mitigation measures to address these issues. Additionally, NYCEDC is exploring supplemental waterborne transit to provide additional transportation options, which could decrease the projected ridership on the Staten Island Ferry.

11. The Proposed Project was reviewed in conformance with the New York State Historic Preservation Act of 1980 ("SHPA"), especially the implementing regulations of section 14.09 of the Parks, Recreation and Historic Preservation Law ("PRHPL").

12. The New York State Office of Parks, Recreation and Historic Preservation ("OPRHP") reviewed the Proposed Project (OPRHP №. 14PR03536) and, in a letter dated August 29, 2014, concluded that it would have no adverse impact on historic resources.

13. It is the opinion of ESD that the Proposed Project would have no impact on historical or cultural resources in or eligible for inclusion in the National and/or State Registers of Historic Places.

14. The Proposed Project would be consistent with the State Smart Growth Infrastructure Policy Act ("SSGPIPA") of 2010 and would generally support the smart growth criteria established by the legislation. The compatibility of the Proposed Project with the criteria of the SSGPIPA is detailed in the Smart Growth Impact Statement Assessment Form.

15. As noted in its Findings Statement, the CPC, acting in its capacity as the City Coastal Commission, has reviewed the waterfront aspects of the St. George Waterfront Redevelopment Project and found that the project is consistent with the city's Waterfront Revitalization Program ("WRP") policies.

16. In accordance with Article 42 of the New York State Executive Law and its implementing regulations at 19 N.Y.C.R.R. Part 600, Waterfront Revitalization of Coastal Areas and Inland

Waterways, ESD has determined that the Proposed Project would be consistent with the city's WRP. This SEQR Findings Statement serves as the certification, pursuant to Article 42 of the New York State Executive Law and its implementing regulations, that the Proposed Project would comply with New York State's Coastal Management Program as expressed in New York City's Local Waterfront Revitalization Program, would not substantially hinder the achievement of any state or local coastal policies and would be conducted in a manner consistent with such programs.

CERTIFICATION OF FINDINGS

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

1. The requirements of Article 8 of the New York State Conservation Law and the implementing regulations of the New York State Department of Environmental Conservation, 6 NYCRR Part 617, have been met;

2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the proposed action will minimize or avoid, to the maximum extent practicable, the significant adverse environmental effects including the effects disclosed in the FEIS and set forth in this Findings Statement;

3. Consistent with the social, economic and other essential considerations described above, the significant adverse environmental impacts associated with the development of the Project which were identified in the FEIS and in this Findings Statement will be avoided or minimized to the maximum extent practicable by incorporating as conditions the mitigation measures described in the FEIS and in this Findings Statement; and

4. The Project is in compliance with Section 14.09 of the State Historic Preservation Act.

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

Signature of Responsible Officer: _____

Name/Title of Responsible Officer: Rachel Shatz, VP, Planning & Environmental Review

Date: _____

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Statewide – Restore New York Communities – Capital Grant

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

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General Project Plan

I. Project Summary

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	Town of Huntington	Huntington - RESTORE III - Plaza Retail Center Capital	W811	$1,170,000	Huntington	Suffolk
		TOTAL		**$1,170,000**		

II. Program Description

A. Background

In the 2006-07 and 2007-08 enacted New York State Budgets, ESD received a $300 million appropriation for the Restore New York's Communities initiative ("Restore NY" or the "Program"), which was allocated as follows: up to $50 million in FY 06-07, $100 million in FY 07-08, and $150 million in FY 08-09. The purpose of the Program is to revitalize urban areas and stabilize neighborhoods as a means to attract residents and businesses. Restore NY funds municipally sponsored projects for the demolition, deconstruction, rehabilitation, or reconstruction of vacant, obsolete or surplus structures.

On October 27, 2006, the successful Restore NY Round 1 award winners were announced, and included 79 different projects in 55 localities. The range of selected projects is large and diverse; and to the extent possible, funding was awarded in a geographically proportionate manner.

Special consideration was given to projects located in Brownfield Opportunity Areas and Empire Zones; those affected by flooding in June 2006; and communities with severe economic distress or dislocation.

The 64 Restore NY Round 2 award winners were announced on January 15, 2008. Projects were chosen with the intent of connecting community initiatives with economic development goals to serve as catalysts for future development and growth. Priority was given to those projects that would serve to revitalize urban cores, leverage private investment and bring future business expansion to New York's communities.

On September 2, 2009, Governor David A. Paterson announced the award of 79 projects for Restore NY Round 3. These projects span across the New York State in 74 localities as part of the continued effort to revitalize urban areas, stabilize neighborhoods and invite renewed investment in economically distressed communities.

B. The Project

ESD will make a grant to the Grantee for the purpose of enhancing the Grantee's capacity to provide support in revitalizing urban areas and stabilizing neighborhoods as a means to attract residents and businesses in New York State. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed.

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

III. Statutory Basis

Restore New York Communities Findings:
Land Use Improvement Project

1. 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 sound growth and development of the municipality.
   See attached Project Schedule.

2. 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.
   See attached Project Schedule.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
   See attached Project Schedule.

4. There are no families or individuals displaced from the Project area.
No residential relocation is required because there are no families or individuals residing on the site.

IV. Environmental Review

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

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policies will apply to the project.

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 project.

VI. ESD Employment Enforcement Policy

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

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

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

VIII. Additional Submissions to Directors

Resolutions
Map
Project Summary

January 21, 2016

Statewide – Restore NY Communities – Capital Grant – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10 (g) and 16-n 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 Restore NY Communities Capital Grant Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-n and 10 of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. 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 sound growth and development of the municipality.

2. 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. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

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

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

RESOLVED, that upon written 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 to grant to the party and for the amount listed below from Restore NY Communities, 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

Restore NY Communities – Project Summary Table

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	Town of Huntington	Huntington - RESTORE III - Plaza Retail Center Capital	W811	$1,170,000	Huntington	Suffolk
		TOTAL		**$1,170,000**		

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.

* * *

January 21, 2016

Huntington (Long Island Region – Suffolk County) – Town of Huntington – Huntington - RESTORE III - Plaza Retail Center Capital – Restore NY (Capital Grant) – Determination of No Significant Effect on the Environment

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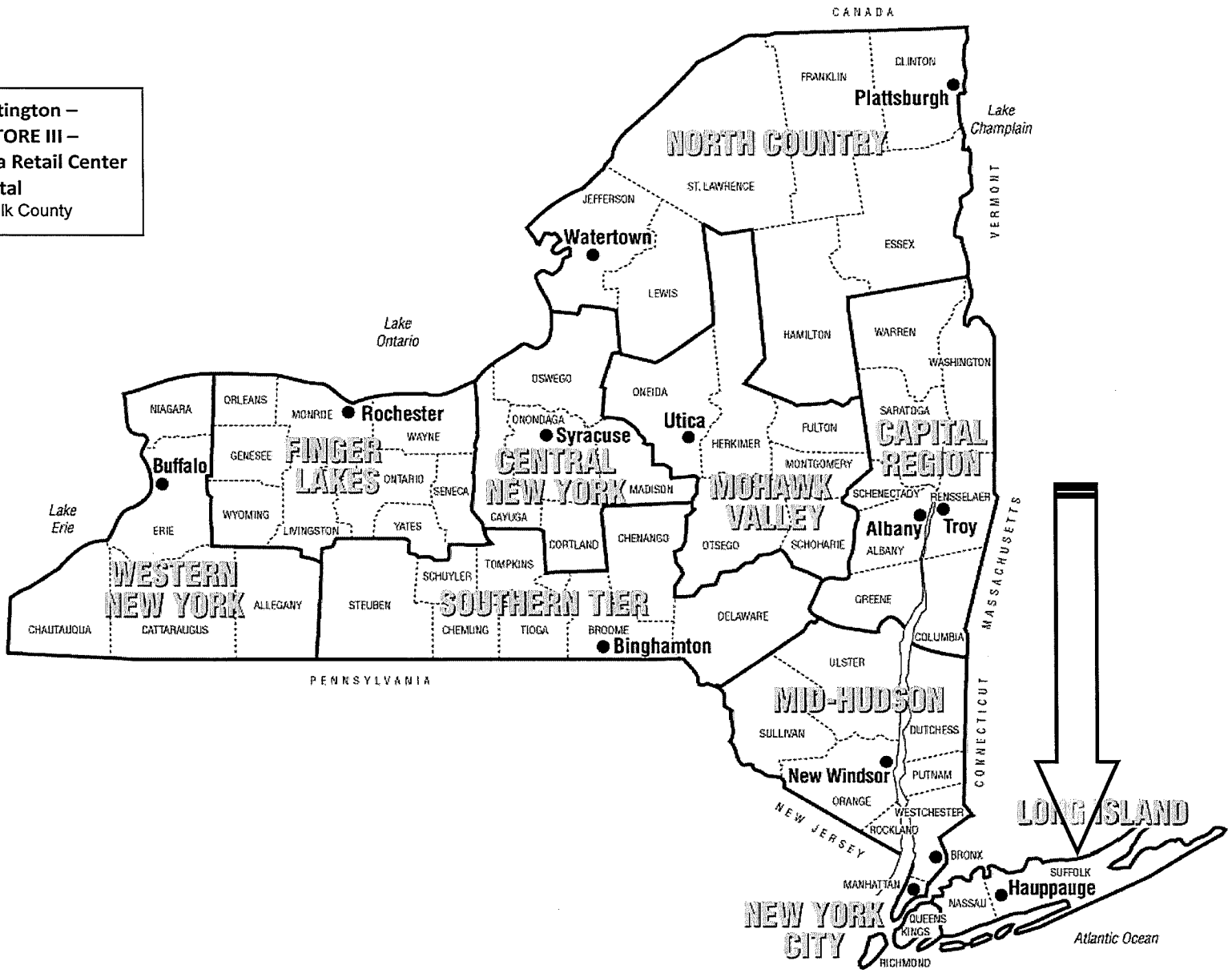
RESOLVED, that based on the material submitted to the Directors with respect to the Huntington - RESTORE III - Plaza Retail Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

RESTORE NY COMMUNITIES

A. Huntington – RESTORE III – Plaza Retail Center Capital
Suffolk County



A. Huntington – RESTORE III – Plaza Retail Center (W811)
January 21, 2016

General Project Plan

Grantee: Town of Huntington ("Huntington" or the "Town")

ESD Investment: A grant of up to $1,170,000 for the cost of construction, renovations to Huntington Station

Project Location: 1000 New York Avenue, Huntington, Suffolk County

Proposed Project: The Town of Huntington will implement a comprehensive revitalization within the blighted Huntington Station to create a multi-phased, mixed use development

Project Type: Community revitalization

Regional Council: The Long Island Regional Economic Development Council has been made aware of this item. The project predates the Regional Council Initiative. The project is consistent with the Regional Plan to revitalize downtowns, blighted neighborhoods and commercial centers through developing new commercial and residential opportunities.

Background:

Industry - Municipality

Grantee History – Founded in 1653, the Town of Huntington is one of ten towns in Suffolk Count. The Town is located on the north shore of Long Island in northwestern Suffolk County, with Long Island Sound to its north and Nassau County adjacent to the west.

The Town encompasses approximately 93-square miles and is comprised of four incorporated Villages: Northport, Asharoken, Lloyd Harbor, and Huntington Bay. In addition, there are several prominent unincorporated areas in the Town including Cold Spring Harbor, Elwood, Huntington, Huntington Station, South Huntington, Melville, East Northport, Halesite, Dix Hills, Centerport, Greenlawn, and Fort Salonga.

Huntington contains five harbors bordering the north shore of the Town: Cold Spring Harbor, Lloyd Harbor, Huntington, Centerport, and Northport harbors. With its coves and bays there are a total of nine beaches maintained by the Town. The Town has also put into operation three marinas for the use of residents. These facilities, along with boat ramps and municipal golf courses and park sites, provide active recreation for Town residents.

Huntington – RESTORE III – Plaza Retail Center (W811)
January 21, 2016

In recent years the "110 Corridor," an area generally bordering NYS Route 110 (N-S) and primarily in the Melville section of the Town, has developed into a major business area. A number of manufacturing units as well as sizable commercial entities have situated there. The Huntington Hilton, a 305 room hotel, and the Radisson Plaza, a 372 room hotel, are located in this area and provide various amenities and facilities for businesses in the surrounding area.

Size - As of the United States 2010 Census, the town population was 203,264.

ESD Involvement - In 2009, the Town received a $1,170,000 RESTORE III award to assist with the creation of a mixed-use, commercial and residential development to be undertaken in Huntington Station, which is a one hour train ride to Penn Station via the Long Island Railroad and approximately 35 miles to Manhattan via the expressway. The proposed site required environmental remediation and demolition and was considered a public eyesore. The Town sought to create housing and generate commercial development through the creation of four residential units, and development of 3,600 square-feet of retail space. Unfortunately, the original developer of the project who was selected by the Town through an RFP process was unable to find financing for the site and abandoned the project. Following this, the site lay dormant for several years. In 2010, the Town took control of the site under eminent domain.

In 2012, the Town entered into new discussion for a public/private partnership for the overall revitalization including the subject site development with Renaissance Downtowns ("Renaissance") to bring the project back to life. Renaissance and the Town pursued a comprehensive and collaborative revitalization project over an approximately two year period which included extensive planning, zoning changes, community outreach, all taking into consideration the fabric of the neighborhood and the site's connection to Huntington Train Station and Huntington Village.

Together, the Town and Renaissance designed a plan to create a much larger, mixed use residential over retail building consisting of 16,000 square-feet of retail and commercial space which would include 68 residences; this new development will be known as the "Gateway Plaza". The parcel of land on which ESD's Restore funds were originally to be applied would remain a part of this new, larger development. ESD's Restore site will comprise a total of 5,300 square-feet of mixed use development overall, with ground floor commercial space and creation of 22 residential units.

The Gateway Plaza project is part of a phased revitalization containing several other sites which are being developed in the Town of Huntington for housing and commercial purposes. In addition to Gateway Plaza project, Renaissance is also partnering with the Town to construct a 140 key hotel, a 100,000 square foot office and retail complex, 49

affordable artist lofts, a 11 studio apartment and 7,500 square-feet of retail and commercial development at Northridge Street and New York Avenue as well as a solely Town sponsored, Renaissance assisted 14-unit affordable condo project for veterans.

Past ESD Support - The Grantee has not received funding for the past five years from ESD.

The Project:

Completion – July 2018

Activity – The Town and Renaissance will develop the subject 15,559 acre parcel as part of the overall larger project. The subject parcel will include construction of 22 residential units, 5,300 square-feet of retail and commercial space and 38 on-site parking spaces.

Results – To date, the Town and Renaissance have obtained NYS SEQR approvals and site plan/building permit approvals are in progress. Additionally, all zoning approvals have been obtained. The overall Gateway Plaza project including the ESD Restore portion is expected to be complete in 2018.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	$3,520,000	ESD Grant	$1,170,000	19%
Soft Costs	2,080,000	Town Equity	1,994,000	32%
Legacy Project Costs*	638,080	Private Equity	3,074,080	49%
Total Project Costs	$6,238,080	Total Project Financing	$6,238,080	100%

**Includes Town of Huntington's costs previously expended on property acquisition and site prep*

Grantee Contact - Joan Cergol, Director
Huntington Community Development Agency
100 Main Street
Huntington, New York 11743
Phone: (631) 351-2881

Project Team -		
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Patrice Goode
	Finance	Angela Pitto
	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 $1,170,000 capital grant ($11,700) 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 closing.

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 $1,170,000 will be disbursed to Grantee in a lump sum upon, documentation of construction and renovation project costs totaling $5,000,000, and upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after October 6, 2009, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

5. ESD may reallocate the project funds to another form of assistance at an amount no greater than $1,170,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental review:
The Town of Huntington Town 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on September 16, 2015. 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 Contract & 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 30%. The overall goal shall include a Minority Business Enterprise Participation Goal of 20% and a Women Business Enterprise Participation Goal of 10% related to the eligible categories totaling approximately $1,170,000. As such, the goal MWBE utilization shall be no less than $351,000.

Statutory Basis – Restore NY Communities:
Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.
   The project is located in a blighted neighborhood and involves the redevelopment of underutilized vacant substandard land. The project is not only part of a larger building development including several parcels but is also a part of an overall area (downtown) revitalization effort in a public private partnership.

2. 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 or reconstruction of a vacant site that the Town has deemed ripe for redevelopment in its Comprehensive Plan and in several other planning studies.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
   The Town published a property assessment list and held a public hearing on the project at the time of application. The Town will ensure compliance with all applicable local laws and regulations. As the plan is being implemented through a public private partnership there has been and will be millions of dollars in private investment in the project and the area revitalization as a whole.

The requirements of Section 10(g) of the Act are satisfied.
There are no families or individuals displaced from the Project area.

Additional Submission to the Directors:
Resolutions
Project Photographs

CLEANERS

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FOR CONSIDERATION
January 21, 2016

TO:	The Directors
FROM:	Howard A. Zemsky
SUBJECT:	Regional Council Award – Priority Project –Yonkers (Mid-Hudson Region – Westchester County) – Saw Mill River Daylighting Capital – Regional Council Capital Fund (Capital Grant)
REQUEST FOR:	Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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General Project Plan

I. Project Summary

Grantee:	City of Yonkers ("Yonkers" or the "City")
ESD* Investment:	A grant of up to $2,500,000 to be used for a portion of the cost of construction and restoration efforts
	* The New York State Urban Development Corporation doing business as Empire State Development ("ESD" or the "Corporation")
Project Location:	New Main Street/Ann Street, Yonkers, Westchester County
Proposed Project:	Design and construction of Saw Mill River day-lighting project along New Main Street from Ann Street to Nepperhan Avenue in downtown Yonkers
Project Type:	Public infrastructure investment to spur private development in downtown Yonkers
Regional Council:	The project is consistent with the Mid-Hudson Regional Economic Development Council's Plan restoration project that attracts outside investment and leverages the tourism economy.

II. Project Cost and Financing Sources

Financing Uses	Amount
Real Estate Acquisition	$5,300,000
Construction/Renovation	9,775,000
Infrastructure/Site Work	500,000
Other Project Costs (Soft Costs)	1,725,196
Total Project Costs	$17,300,196

Financing Sources	Amount	Percent
ESD-Grant	$2,500,000	15%
NYS DEC* Water Quality Grant	2,000,000	12%
NYS EFC** Green Innovation Grant	1,076,977	6%
Existing Initiatives Grant	7,295,000	42%
Grantee Equity	4,428,219	25%
Total Project Financing	$17,300,196	100%

* New York State Dept. of Environmental Conservation
** New York State Environmental Facilities Corporation

III. Project Description

A. Company

Grantee History: Yonkers, which was incorporated in 1872, is located in the southwestern corner of Westchester County in the Mid-Hudson Region of New York State. The City is 18.3 square miles in area and is the fourth largest city in New York State. It has a current population of approximately 200,000 residents. In recent decades, dramatic renaissance has been occurring in the downtown waterfront area and the City as a whole. Revitalization efforts have included a new riverfront library, a ½-mile public waterfront esplanade, a refurbished public pier, new apartments, a concentration of new restaurants, and a restored train station.

Ownership: Municipality

ESD Involvement: ESD funding has played an integral role in City of Yonkers award-winning Saw Mill River daylighting project. For more than a decade the Saw Mill River Coalition ("Coalition") and its parent organization, Groundwork Hudson Valley, have led the effort to bring the Saw Mill River to daylight. Part of the revitalization of downtown Yonkers, this project has

enormous ecological, economic and cultural significance. On November 15, 2011, after many years of organizing, waters began to flow aboveground in downtown Yonkers for the first time in 90 years, a major achievement for both the Coalition and the City. With the aboveground riverbed the City has recreated 13,775 square feet of aquatic habitat, including a tidal pool and two freshwater pools. The new natural river flows parallel to the preexisting underground flume, which now serves as an overflow channel to protect the integrity of the new park and the downtown area from floods. The old Larkin Plaza, including the parking lot that sat on top of the underground river, has been transformed into a public park. Now in its third phase, ESD's Round 4 award through the Consolidated Funding Application will continue to support to the projects continued progress.

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
Special Approval Capital Project Fund	X917	$8,000,000	August 16, 2012	December 31, 2019	Capital – Real Estate Acquisition
Yonkers - RESTORE III - Former Library Restoration	W871	$5,434,000	January 21, 2010	December 31, 2017	RestoreNY Comm 08-09
Yonkers - RESTORE III - Philipse Manor Historic District	W872	$3,505,000	January 21, 2010	December 31, 2017	RestoreNY Comm 08-09

B. The Project

Completion: December 2016

Activity: The City of Yonkers will design and construct Phase 3 of the award-winning Saw Mill River Daylighting, making the river a focal point of a new gateway park in downtown Yonkers. For years this segment along New Main Street between Ann Street and the Nepperhan Avenue arterial has been hidden behind stores and thick, invasive landscaping. Throughout 2014 Yonkers acquired this row of one story businesses along New Main Street and has since demolished these structures making way

for the permanent park. The City has recently conducted a RFP to select an engineering firm to design this project. The design is anticipated to be complete this summer and construction will commence in autumn. As with the Daylighting of Phases 1 and 2, this project will continue to provide a series of sustainability measures and continue to spur the economic revitalization of downtown Yonkers.

Results:

The project will allow the City to increase the length of the Saw Mill River that is being daylighted. Envisioned are the creation of new retail spaces, as well as new commercial, entertainment and cultural offerings similar to the successful urban river walks of Providence, Rhode Island and San Antonio, Texas. Upon completion of the daylighting project, the City will have established new public assembly spaces linking the downtown to several significant commercial development sites that will create up to 600,000 square feet of commercial, retail, entertainment, and office space that would bring up to 3,600 new permanent jobs to downtown Yonkers.

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.

- Fiscal benefits to NYS government from the project are estimated at $512,771;
- Fiscal cost to NYS government is estimated at $2,500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.21:1;
- Fiscal benefits to all governments (state and local) are estimated at $945,375;
- Fiscal cost to all governments is $2,500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.38:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at $6,831,965;
- The economic benefit to cost ratio is 2.73:1;

- Project construction cost is $12,000,200 which is expected to generate 77 direct job years and 39 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Susan Gerry, Deputy Mayor
40 South Broadway
Yonkers NY 10701
Phone: (914) 377-6997

ESD Project No.: Z899

Project Team:		
	Origination	Eric Warren
	Project Management	Jillian Drummond
	Contractor & Supplier Diversity	Denise Ross
	Finance	Angela Pitto
	Design & Construction	Paul Palazzo
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the $2,500,000 capital grant ($25,000) 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. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to $2,500,000 will be disbursed no more frequently than quarterly to Grantee for eligible project costs in compliance with the Design & Construction requirements, and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. 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 11, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

5. ESD may reallocate the project funds to another form of assistance, at an amount no

greater than $2,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

Design & Construction (D&C) Staff will review the construction documents and, at its option, visit the site during construction. Payments will be reviewed and approved when D&C requirement have been met.

VI. 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), ESD Directors previously adopted SEQRA Findings on September 14, 2010 for the City of Yonkers Initiatives Capital project based on the Final Environmental Impact Statement ("FEIS") for the River Park Center, Cacace Center, Larkin Plaza, and Palisades Point project. 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 FEIS and does not require additional environmental review under SEQRA.

Due to the inclusion of sites in or eligible for inclusion in the State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD, OPRHP, the Environmental Protection Agency and the City of Yonkers have agreed that the project will be implemented in accordance with a Programmatic Agreement. ESD will ensure that all conditions stipulated in the Programmatic Agreement are met.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 50%. The overall goal shall include a Minority Business Enterprise Participation Goal of 25%

and a Women Business Enterprise Participation Goal of 25% related to the total value of ESD's funding.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

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

January 21, 2016

Regional Council Award – Priority Project –Yonkers (Mid-Hudson Region – Westchester County) – Saw Mill River Daylighting 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 Saw Mill River Daylighting 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 City of Yonkers 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.

* * *

Project Summary
Benefit-Cost Evaluation1

Economic Growth Project
City of Yonkers

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 77
Construction Job Years (Indirect): 39

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	$2,500,000	$794,250	$2,500,000	$1,020,500
Fiscal Benefits(Taxes)4	$512,771	$2,085,600	$945,375	$4,271,980
Fiscal B/C Ratio	0.21	3.00	0.38	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits5	$6,831,965	$119,468,000
Economic B/C Ratio	2.73	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.

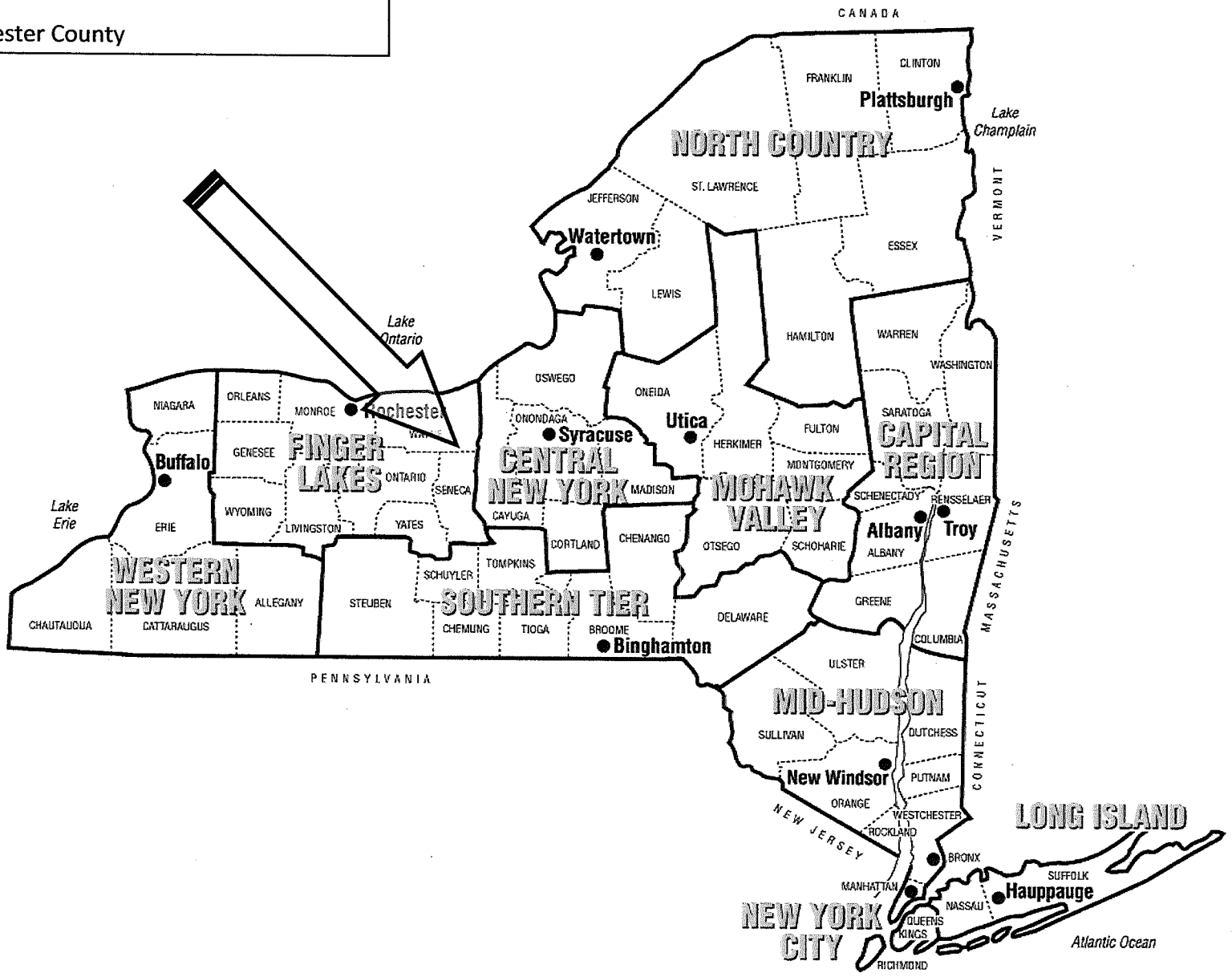
2 The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

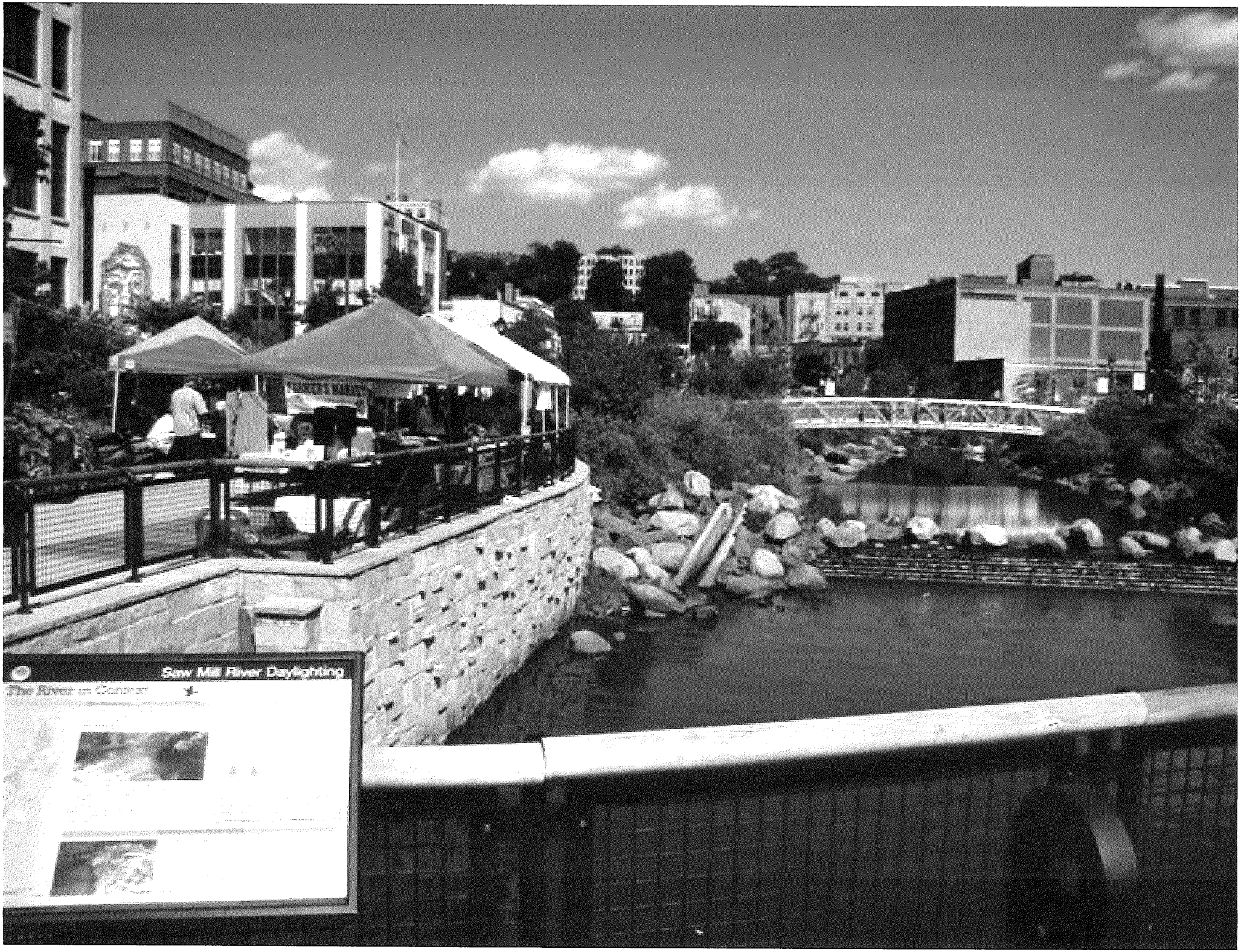
3 Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

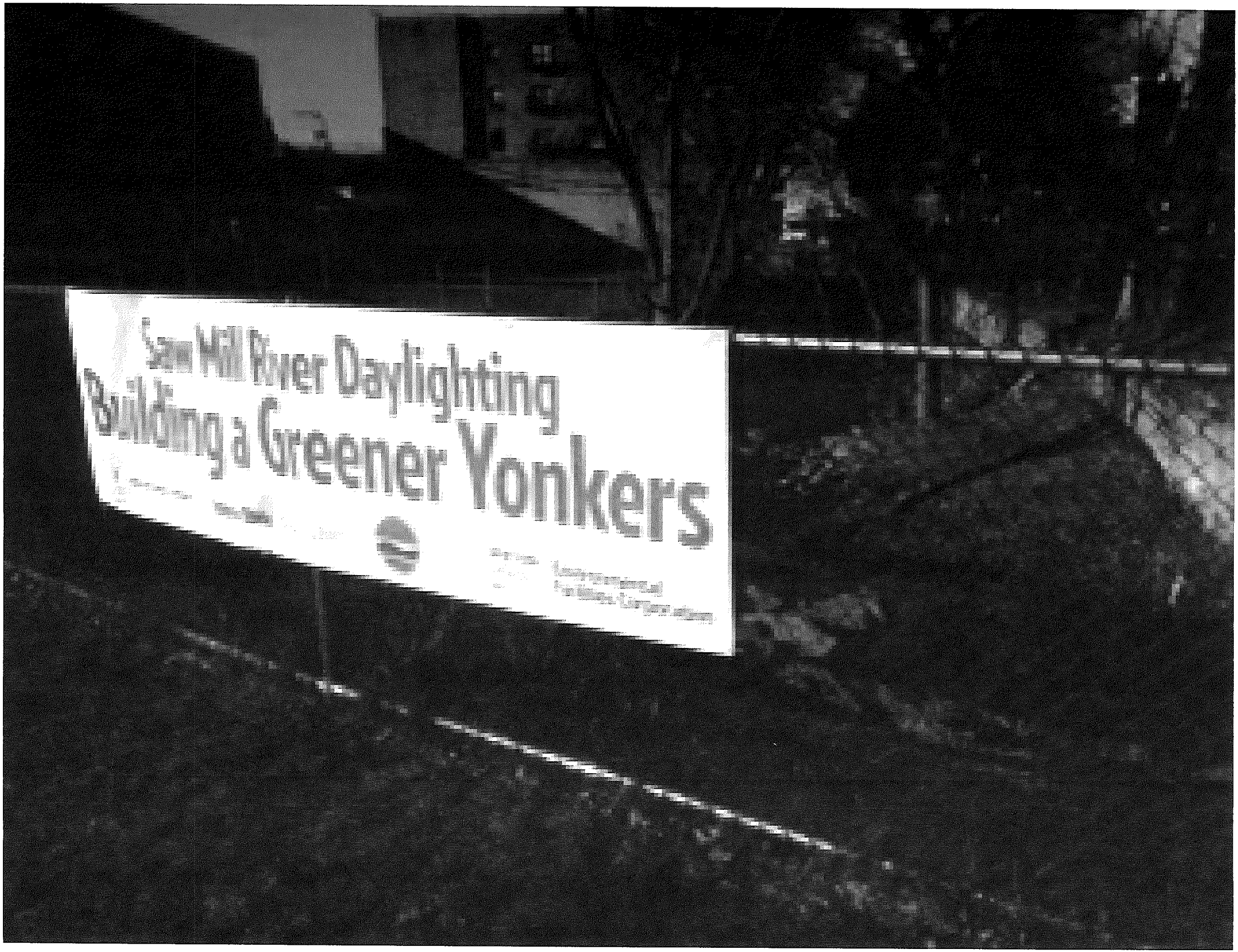
5 Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

Saw Mill River Daylighting Capital
Yonkers
Westchester County




Saw Mill River Daylighting

FUTURE SITE OF: Saw Mill River Daylighting at


Saw Mill River Daylighting
Building a Greener Yonkers

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Hyde Park (Mid-Hudson Region – Dutchess County) – Hyde Park Infrastructure Capital – Regional Council Capital Fund and Empire State Economic Development Fund - General Development Financing (Capital Grants)

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; Adoption of Findings Pursuant to the State Environmental Quality Review Act

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General Project Plan

I. Project Summary

Grantee: T-Rex Hyde Park Owner LLC (the "Company")

ESD* Investment: Grants totaling up to $2,250,000 to be used for a portion of the cost of site preparation, utility infrastructure, and wastewater treatment plant

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

Project Location: Rte. 9, Hyde Park, Dutchess County

Proposed Project: Infrastructure development to prepare the site, including laying utilities such as water, natural gas, sewer and storm water lines and construction of a 15,000-square-foot wastewater treatment plant that will provide sewage treatment for the site in the Town of Hyde Park, Dutchess County

Project Type: Infrastructure investment

Regional Council: The project is consistent with the Mid-Hudson Regional Economic Development Council's Plan to support projects that improve key

regional infrastructure to help bolster economic growth by attracting outside investment and leveraging the tourism economy.

II. Project Cost and Financing Sources

Financing Uses	Amount
Site Preparation	$8,456,256
Utility Infrastructure	$2,747,500
Wastewater Treatment Plan	$7,500,000
Total Project Costs	$18,703,756

Financing Sources	Amount	Percent
ESD-Grant (#AA390)*	$1,250,000	7%
ESD-Grant (#AA391)**	$1,000,000	5%
Company Equity	$16,453,756	88%
Total Project Financing	$18,703,756	100%

*Regional Council Capital Fund (RC5)
**Empire State Economic Development Fund

III. Project Description

A. Company

Industry: Real Estate Development

Company History: T-Rex Hyde Park Owner LLC is a subsidiary of T-Rex Capital Group, LLC, a real estate equity firm that was founded in 1999.

Ownership: T-Rex Hyde Park Owner LLC is a privately held company.

Size: All facilities located in Hyde Park, NY

Market: N/A

ESD Involvement: The Company applied for funding through Round 5 of the Consolidated Fund Application ("CFA"). The CFA was submitted to secure necessary financing in order to offset the high infrastructure development costs due to poor conditions of the existing infrastructure. As a result, T-Rex Hyde Park Owner LLC was awarded a total of $2,500,000 for infrastructure and site preparation work at Route 9 in Hyde Park.

Competition: N/A

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

B. The Project

Completion: January 2019

Activity: The project entails infrastructure improvements in order to establish a mixed-use development that will foster an array of activities on a previously vacant property at a key gateway to Hyde Park and Northern Dutchess County. Project activities will include laying utilities such as water, natural gas, sewer and storm water lines and construction of a 15,000-square-foot wastewater treatment plant that will provide sewage treatment.

Results: As a result of the project, the site is expected to attract and retain commercial industries and other ancillary businesses that cater to tourism activities within the Mid-Hudson region.

Grantee Contact: Thomas Mulroy, Managing Partner
365 East 66th Street, #33E
New York, NY
Phone: (212) 486-1222

ESD Project No.: AA390; AA391

Project Team:

Origination	Meghan Taylor
Project Management	Omar Sanders
Contractor & Supplier Diversity	Denise Ross
Finance	Angela Pitto
Design & Construction	Paul Palazzo
Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $1,250,000 Regional Council Capital Fund grant ($12,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project

cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to $2,250,000 will be disbursed to the Grantee as reimbursement for eligible expenses during the course of design and/or construction no more frequently than quarterly, in compliance with the Design & Construction Requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion, as evidenced by a certificate of completion or other document. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

   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 December 10, 2015, to be considered eligible project costs. All disbursements must be requested by April 1, 2020.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $2,250,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

IV. Statutory Basis

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 the project, the site is expected to be shovel ready to attract and retain commercial, retail, and hospitality industries and other ancillary businesses that cater to tourism activities within the Mid-Hudson region.

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 and the project would not have proceeded without ESD's assistance.

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

Infrastructure Investment Project

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

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

- Fiscal benefits to NYS government from the project are estimated at $3,900,886
- Fiscal cost to NYS government is estimated at $2,250,000;
- Ratio of project fiscal benefits to costs to NYS government is 1.73:1;
- Fiscal benefits to all governments (state and local) are estimated at $7,191,908;
- Fiscal cost to all governments is $2,250,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 3.20:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at $51,973,947;
- The economic benefit to cost ratio is 23.10:1;
- Project construction cost is $88,400,000 which is expected to generate 562 direct job years and 282 indirect job years of employment;
- 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—Regional Council Capital Fund

The project was authorized in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

VI. Design and Construction

Design and Construction staff will review the project budget, plans, specifications, along with the required Design and Construction documents. Construction progress will be viewed by the assigned staff member, in accordance with the project drawings and work scope. Submission of Payment Requisitions to ESD are performed on a quarterly basis upon the satisfactory review in the field by D.&C. staff whose recommendation for submission is based on compliance with the D. and C. requirements.

VII. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Environmental Impact Statement ("FEIS") certified as complete on August 13, 2007 by the Town Board of the Town of Hyde Park, as lead agency for the St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District project, which includes the proposed Hyde Park Infrastructure Capital project (the "proposed action").

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

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

- The Corporation has given consideration to the DEIS and FEIS;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;
- Consistent with social, economic and other essential considerations to the

maximum extent practicable, any significant adverse environmental effects revealed in the environmental impact statement process as a result of the proposed action will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable;

- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act.

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

VIII. 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: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 20% and a Women Business Enterprise ("WBE") Participation Goal of 20% related to the total value of ESD's funding. MBE participation requirements may not be substituted for WBE participation, or the reverse.

IX. Smart Growth Public Infrastructure Review

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

X. ESD Employment Enforcement Policy

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

XI. 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.

XII. Additional Submissions to Directors

Resolutions
New York State Map
Exhibit A: State Environmental Quality Review Involved Agency Findings Statement
Benefit-Cost Analysis
Project Finance Memorandum

January 21, 2016

Regional Council Award – Priority Project – Hyde Park (Mid-Hudson Region – Dutchess County) – Hyde Park Infrastructure Capital – Regional Council Capital Fund and Empire State Economic Development Fund – General Development Financing (Capital Grants) – 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

---

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 Hyde Park Infrastructure Capital — Regional Council Capital Fund and Empire State Economic Development Fund - General Development Financing (Capital Grants) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to T-Rex Hyde Park Owner LLC two grants for a total amount not to exceed Two Million Two Hundred Fifty Thousand Dollars ($2,250,000) from the Regional Council Capital Fund and 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.

* * *

January 21, 2016

Regional Council Award – Priority Project –Hyde Park (Mid-Hudson Region – Dutchess County) –Hyde Park Infrastructure Capital – Regional Council Capital Fund and Empire State Economic Development Fund – General Development Financing (Capital Grants) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

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

- The Corporation has given consideration to the Draft and Final Environmental Impact Statement ("DEIS" and "FEIS", respectively) prepared for the proposed the St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District project, which includes the proposed Hyde Park Infrastructure Capital project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act;

and be it further

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

Hyde Park Infrastructure Capital
Hyde Park
Dutchess County

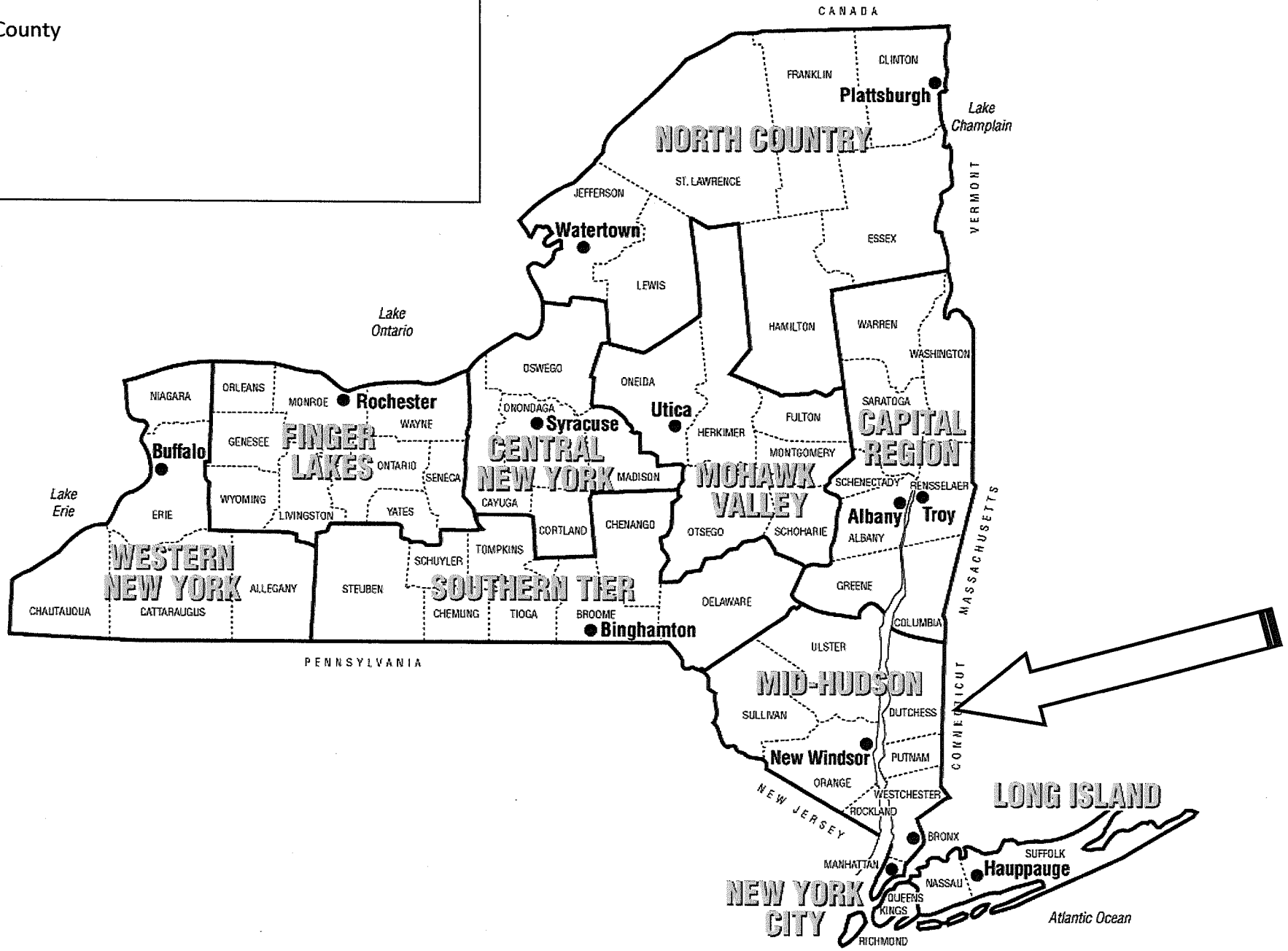

EXHIBIT A

STATE ENVIRONMENTAL QUALITY REVIEW

INVOLVED AGENCY FINDINGS STATEMENT

Pursuant to Article 8 of the Environmental Conservation Law (State Environmental Quality Review Act [SEQRA]) and 6 NYCRR Part 617, the New York State Urban Development Corporation (UDC) d/b/a Empire State Development (ESD), as an involved agency under SEQRA, makes the following findings based on the Final Environmental Impact Statement (FEIS) issued on August 13, 2007 for the St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District project.

Name of Action: Hyde Park Infrastructure Capital

SEQRA Classification: Type I

Lead Agency: Town Board of the Town of Hyde Park

Description of Proposed Action and Proposed Project and Location

Empire State Development has received a funding request from T-Rex Hyde Park Owner LLC, the developer for the Hyde Park Infrastructure Capital project under ESD's Regional Council Capital Fund and Empire State Economic Development Fund programs. The Proposed Action would consist of ESDs authorization of grants totaling up to $2,250,000 to be used for a portion of cost of site preparation, utility infrastructure, and wastewater treatment plant (the "Proposed Project") for the proposed St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District Project. ESD is an involved agency in the SEQR review of the Proposed Project due to its role in providing grant funding.

The Proposed Project will facilitate the development of the St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District project. The St. Andrew's at Historic Hyde Park ("St. Andrew's") is a proposed mixed-use planned unit development ("PUD") with residential, commercial and open space uses combined on a 339.5-acre site on Route 9 in the southwestern portion of the Town of Hyde Park, New York (the "site"). The site is on the east side of US Route 9, bounded by St. Andrews Road to the north and West Dorsey Lane to the south. The CIA campus is located across the street on the west side of Route 9.

The Comprehensive Development Plan for the St. Andrew's project includes a residential area in the central portion of the site, and a pedestrian-oriented mixed-use center in the western portion of the site. The village-style center will include a continuing education facility for the Culinary Institute of America ("CIA"), whose campus is located across Route 9 from the St. Andrew's property. The plan includes a hotel, restaurants, shops, cafes, office and in-village housing. A number of park areas are located in the village center, along with Market Square, a

plaza that will be a focus for activity in the mixed-use center. A total of 10 miles of trails and five miles of sidewalks link various components of St. Andrew's and connect with the Town's trail system. The total area of open space is approximately 200 acres, or 58 percent of the site area.

The Hyde Park Central Sewer District includes the formation of the District by the Town of Hyde Park, construction of the Route 9 collection system by Dutchess County Water and Wastewater Authority and the construction of the Wastewater Treatment Plant ("WWTP") on the south side of St. Andrews Road by the developer to service the District. The District would include most of the properties located along Route 9 north to the south side of Linden Lane. In all, the Hyde Park Central Sewer District would include 28,100+- linear feet of sanitary sewer main from the WWTP and a manhole that will be constructed at the intersection St. Andrews Road and Route 9. The District would include: the St. Andrew's property development, the Route 9 collection area, and the proposed Club at Hyde Park property on the north side of St. Andrews Road.

The Comprehensive Development Plan program includes a mix of 228 single family, duplex and townhouse units that make up the residential portion of the site. In the mixed-use portion of the site, there is an additional 330 residential units, comprised of village homes, townhouses, flats above retail and live/work units. Also, 1,005,895 square feet of non-residential uses are included as part of the mixed-use center in the western portion of the site, of which approximately 130,000 square feet will be space for the CIA.

Facts and Conclusions in the FEIS Relied Upon to Support the Findings:

1. This Findings Statement for the Hyde Park Infrastructure Capital project (the "Proposed Project") has been prepared in compliance with the State Environmental Quality Review Act ("SEQRA"), codified at Article 8 of the New York Environmental Conservation Law ("ECL"), and its implementing regulations, promulgated at Part 617 of Title 6 of the New York Codes, Rules and Regulations ("N.Y.C.R.R."), which collectively contain the requirements for the State Environmental Quality Review ("SEQR") process.

2. The Proposed Project is part of the St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District Project. The Town Board of the Town of Hyde Park, as Lead Agency, made a determination that the Project was a Type I action pursuant to 6 N.Y.C.R.R. Part 617 and conducted a coordinated SEQR process, issuing a Draft Environmental Impact Statement ("DEIS") on November 28, 2005, the Route 9 Sewer DEIS Addendum on July 24, 2006, and a Final Environmental Impact Statement ("FEIS") on August 13, 2007. The lead agency Findings Statement was issued on August 29, 2007.

3. ESD is an involved agency for the purposes of SEQR due to its Regional Council Capital Fund and Empire State Economic Development Fund grant approvals. ESD's Proposed Action is the authorization of grants totaling up to $2,250,000 for the Proposed Project.

4. The St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District Project involved the approval of a Comprehensive Development Plan for the project, which has

been granted by the Town of Hyde Park. The Comprehensive Development Plan provides an overall framework for the detailed development plans of the site. Subsequent detailed plans, including individual site plans and subdivision plans, will be subject to review and approval by the Town's Planning Board, as described in the lead agency's Findings Statement.

5. This Findings Statement is based upon facts and conclusions contained in the DEIS and FEIS. This SEQR Findings Statement represents ESD's compliance with SEQR for the Proposed Project.

6. The potential effects of the Proposed Project were adequately analyzed and disclosed in the DEIS and FEIS for the St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District Project. The Proposed Project, as currently contemplated, would not engender any new significant adverse environmental impacts not previously disclosed in the FEIS.

7. The St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District Project will involve site disturbance including grading and re-contouring the land in preparation for roads, driveways, parking lots and buildings. Total site disturbance is estimated to be approximately 140 acres. Where blasting is required, it will be controlled in order to minimize off-site impacts and will adhere to guidelines as described in the Lead Agency's Findings Statement. Therefore, potential impacts on geology, topography and soils will be mitigated to the maximum extent practicable.

8. The Traffic Impact Study for the proposed development determined that similar Levels of Service will be experienced for future build and no-build conditions. However, to minimize potential traffic impacts, the project includes mitigation measures as described in the Lead Agency's Findings Statement including: the provision of a separate southbound left turn lane (within the median) and separate northbound right turn for entering traffic at a proposed access opposite the CIA driveway; a possible pedestrian-only phase and crosswalk at the intersection of Route 9 and St. Andrews Road; a pedestrian crosswalk and pedestrian phase to facilitate any pedestrian activity between the CIA and the proposed development; and intersection improvements at the southeast corner of Route 9 and St. Andrews Road. Therefore, potential impacts on traffic and transportation will be mitigated to the maximum extent practicable

9. The St. Andrew's at Historic Hyde Park and Hyde Park Central Sewer District Project has the potential to create noise impacts during construction of the proposed development. Sound level control measures during construction to mitigate potential impacts will be required as described in the lead agency's Findings Statement. Therefore, potential construction-related noise impacts will be mitigated to the maximum extent practicable

10. The Proposed Project was reviewed in conformance with the New York State Historic Preservation Act of 1980 and the implementing regulations of Section 14.09 of the Parks, Recreation and Historic Preservation Law. A Phase IB field testing has indicated

that there is one precontact archaeological site in Area 9 of the site. (Testing in a second area, Area 4, did not indicate the potential for archaeological resources.) A Phase 2 field investigation will be required for Area 9 to determine the size and integrity of the small precontact site and to assess the potential for further research. In addition, two historical archaeological sites, the Walton Roosevelt House Foundation and the Webendorfer Barn, were identified during field investigations. A Phase 3 Data Recovery Plan is required for the Walton Roosevelt site, and for the Webendorfer Barn, which includes a historical foundation in the same location as the precontact site in Area 9, a simultaneous Phase 2 field investigation is required. The Proposed Project, i.e., the ESD-funded infrastructure work, is not planned to be in or near the area of the precontact or historical archaeological sites.

The proposed Route 9 sewer line for the Hyde Park Central Sewer District, once engineering is completed to determine the final alignment and prior to construction, will require an archaeological study to determine the potential for any impacts on historic and archaeological resources. The Route 9 sewer line, however, is not part of the ESD-funded Proposed Project. The Town will ensure that the archaeological study will be completed for the Route 9 sewer line project in consultation with the New York State Historic Preservation Office ("SHPO").

Therefore, it is the opinion of ESD that the Proposed Project will have no significant adverse impact on historic or cultural resources in or eligible for inclusion in the National and/or State Registers of Historic Places.

11. The Proposed Project is consistent with the State Smart Growth Infrastructure Policy Act ("SSGPIPA") of 2010 and would generally support the smart growth criteria established by the legislation. The compatibility of the Proposed Project with the criteria of the SSGPIPA is detailed in the Smart Growth Impact Statement Assessment Form.

CERTIFICATION OF FINDINGS

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

1. The requirements of Article 8 of the New York State Conservation Law and the implementing regulations of the New York State Department of Environmental Conservation, 6 NYCRR Part 617, have been met;

2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the proposed action will minimize or avoid, to the maximum extent practicable, the significant adverse environmental effects including the effects disclosed in the FEIS and set forth in this Findings Statement;

3. Consistent with the social, economic and other essential considerations described above, the significant adverse environmental impacts associated with the development of the Project which were identified in the FEIS and in this Findings Statement will be avoided or minimized to the maximum extent practicable by incorporating as conditions the mitigation measures described in the FEIS and in this Findings Statement; and

4. The Project is in compliance with Section 14.09 of the State Historic Preservation Act.

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

Signature of Responsible Officer: _____

Name/Title of Responsible Officer: Rachel Shatz, Vice President, Planning & Environmental Review

Date: _____

Project Summary
Benefit-Cost Evaluation[1]

Infrastructure Investment Project
Hyde Park Infrastructure

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 562
Construction Job Years (Indirect): 282

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 Costs[3]	$2,250,000	$794,250	$2,250,000	$1,020,500
Fiscal Benefits(Taxes)[4]	$3,900,886	$2,085,600	$7,191,908	$4,271,980
Fiscal B/C Ratio	1.73	3.00	3.20	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$51,973,947	$119,468,000
Economic B/C Ratio	23.10	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.

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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

5 Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

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FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project –Milton (Mid-Hudson Region – Ulster County) – Hepworth Farms Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Hepworth Farms, LLC ("Hepworth" or the "Company")

ESD* Investment: A grant of up to $300,000 to be used for a portion of the cost of property acquisition, construction, renovation and purchase of machinery and equipment

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

Project Location: 1635-1641 Route 9W, Milton*
18 Owl Drive, Milton

*Project activity site; other is job-retention site

Proposed Project: Acquisition of property, construction and renovation, and purchase of machinery and equipment for farm operations and creation of Hudson Valley Grow exchange for local farmers

Project Type: Business expansion involving job retention and creation

Regional Council: The project is consistent with the Mid-Hudson Regional Economic Development Council Plan to leverage outstanding natural resources, its tourism industry and agriculture in a natural infrastructure strategy.

Employment:	Initial employment at time of ESD Incentive Proposal:	94*
	Current employment level:	100
	Minimum employment on January 1, 2017:	104**

* 8 Full-time employees and 121 seasonal employees (86 Full-time Equivalents)
** 18 Full-time employees and 121 seasonal employees (86 Full-time Equivalents)

II. Project Cost and Financing Sources

Financing Uses	Amount
Property Acquisition	$425,000
Clearing & Preparation of Fallow Farmland	200,000
Building Construction & Renovation	1,100,000
Machinery & Equipment	60,000
Total Project Costs	$1,785,000

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD-Grant	$300,000	17.0%	
Walkill Federal Savings & Loan	500,000	28.0%	4.25%/20yrs/N/A
Grantee Equity	510,000	28.5%	
Private Loan*	425,000	23.5%	3%/10yrs/N/A
Sawyer Savings Bank Line of Credit	50,000	3.0%	3.5%
Total Project Financing	$1,785,000	100%	

* Privately held mortgage is between grantee and previous owner of the acquired property. Loan terms and conditions, including interest rates, were drawn up by lawyers. Payments made on the private loan go directly to previous land owner.

III. Project Description

A. Company

Industry: Agriculture

Company History: Hepworth Farms, established 1818, is a seventh-generation family farm in Milton, New York, located in the Hudson Valley approximately 75 miles north of New York City. After graduating from Cornell University in 1982, Amy Hepworth assumed leadership and began the process of dechemicalization, transitioning from standard farming practices to a

whole systems approach. Today, Hepworth Farms has 250 acres of Northeast Organic Farming Association ("NOFA") certified production land yielding more than 400 varieties of organic vegetables—specializing in tomatoes, peppers, eggplants, zucchini, cukes and many varieties of greens.

Ownership: The Company is a privately-owned limited liability corporation.

Size: All facilities located in Milton, NY.

Market: The Company serves the New York City metropolitan area food co-ops, Community Supported Agriculture (CSAs), Northeast Whole Foods market, and restaurants and vegetable distributors serving the Hudson Valley. Competitors include farms in the Northeast and Mid-Hudson regions.

ESD Involvement: The demand for organic fruits and vegetables is rapidly growing and Hepworth Farms, LLC has developed a solid reputation for meeting this demand in the marketplace. To continue to meet demand, Hepworth needed more packing, cooling and organizing infrastructure. The Company identified an abandoned fruit storage facility that met its growing needs, but the cost of purchasing, renovation and upgrading machinery and equipment were high.

Hepworth applied through Round 4 of the Consolidated Funding Application to bridge the financing gap and was awarded $300,000 by ESD. As a result of the expansion, the Company also created a Hudson Valley exchange, a central place for local farmers to access larger distribution opportunities in the marketplace, as part of the facility renovations.

Competition: N/A

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

B. The Project

Completion: October 2015

Activity: The project consisted of renovating the new building to include upgraded cold storage rooms that are kept at 55 degrees and 35 degrees to pack and store various vegetables such as tomatoes, peppers, eggplant, cucumbers, greens and other vegetables. The rooms were converted from 55 degree rooms to 33 degree cold storage rooms, which required new electric service and the installation of insulated metal panel systems,

new refrigeration equipment, and lighting and ventilation equipment. There were also improvements to the exterior including new siding and painting. Other renovations within the building included new office space, new cardboard storage, grade leveling and loading dock repairs.

Results: Retain 121 existing seasonal (86 Full-time Equivalent) jobs and 8 Full-time Permanent jobs and create 10 new jobs. The Company has already created 7 new jobs.

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

- Fiscal benefits to NYS government from the project are estimated at $240,754;
- Fiscal cost to NYS government is estimated at $300,000;
- Project cost to NYS government per direct job is $37,500;
- Project cost to NYS government per job (direct plus indirect) is estimated at $34,040;
- Ratio of project fiscal benefits to costs to NYS government is 0.80:1;
- Fiscal benefits to all governments (state and local) are estimated at $440,201;
- Fiscal cost to all governments is $300,000;
- All government cost per direct job is $37,500;
- All government cost per total job is $34,040
- The fiscal benefit to cost ratio for all governments is 1.47:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $3,221,571, or $365,538 per job (direct and indirect);
- The economic benefit to cost ratio is 10.74:1;
- Project construction cost is $1,300,000, which is expected to generate 9 direct job years and 4 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.11 indirect jobs re anticipated in the state's economy;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Amy Hepworth, Managing Member
506 South Road
Milton, NY 12547
Phone: (315) 492-2445

ESD Project No.: Z851

Project Team:	Origination	Monique LeGendre
	Project Management	Charise Liggins
	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 Company 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 Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

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

5. Up to $300,000 will be disbursed to the Grantee in two installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($150,000) upon documentation of project costs totaling $1,782,237, including $140,000 for the purchase of machinery and equipment and $600,000 for the purchase of real estate, a Certificate of Occupancy or other documentation verifying project completion as ESD may require, and documentation of the employment of at least 8 Full-time Permanent Employees and 121 seasonal employees (86 Full-time Equivalents) at the Project Locations, assuming that all project approvals have been completed and funds are available;
   b) a Second Disbursement of an amount equal to 50% of the grant ($150,000) will be

disbursed upon documentation of the employment of at least 18 Full-time Permanent Employees and 121 seasonal employees (86 Full-time Equivalents) at the Project Locations (Employment Increment of 10), 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 December 12, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

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	94*

A	B
Reporting Date	Employment Goals
February 1, 2017	94*+X
February 1, 2018	94*+X
February 1, 2019	94*+X

*8 Full-time employees and 121 seasonal employees (86 Full-time Equivalents)

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=10, and Employment Goals shall equal [94 + X = 104] 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.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Company 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 30%, Minority Business Enterprise ("MBE") participation goal of 15% and a Women Business Enterprise ("WBE") participation goal of 15% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project

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

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

VIII. Additional Submissions to Directors

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

January 21, 2016

Regional Council Award – Priority Project – Milton (Mid-Hudson Region – Ulster County) – Hepworth Farms 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 Hepworth Farms 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 Hepworth Farms, LLC a grant for a total amount not to exceed Three Hundred Thousand Dollars ($300,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

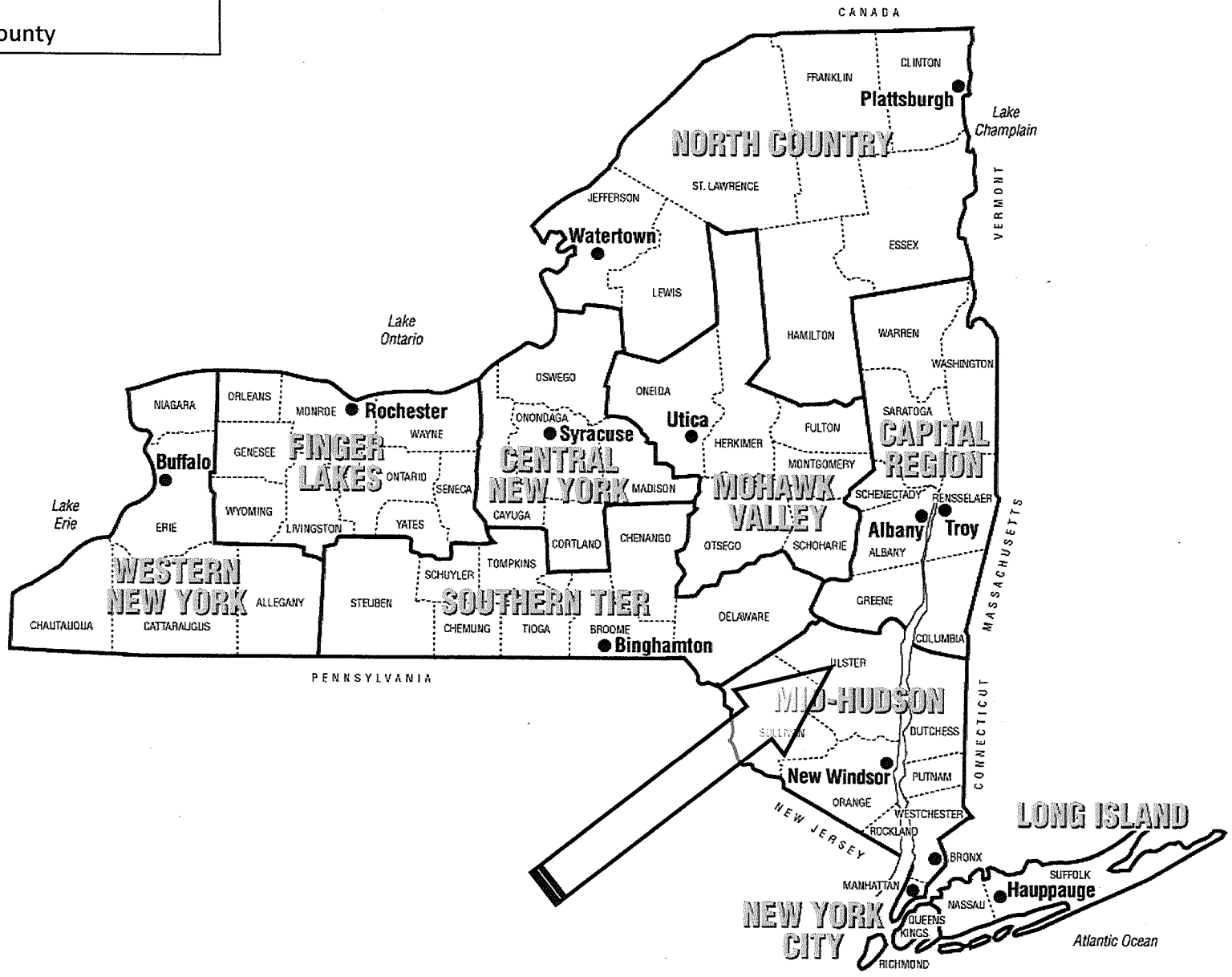
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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

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

* * *

Hepworth Farms Capital
Milton
Ulster County



Project Summary
Benefit-Cost Evaluation[1]

Hepworth Farms LLC – Business Investment

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

Initial Jobs:	**94**	**Construction Job Years (Direct):**	**9**
New Jobs:	**10 over one year**	**Construction Job Years (Indirect):**	**4**

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks[2]	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs[3]	$300,000	$794,250	$300,000	$1,020,500
Fiscal Benefits (Taxes)[4]	$240,754	$2,085,600	$440,201	$4,271,980
Fiscal Cost /Direct Job	$37,500	$3,000	$37,500	$4,110
Fiscal Cost/Total Jobs	$34,040	$1,424	$34,040	$1,964
Fiscal B/C Ratio	0.80	7.00	1.47	10.60
	Project Results	**Benchmarks**		
Economic Benefits[5]	$3,221,571	$119,468,000		
Econ. Benefits/Total Jobs	$365,538	$147,600		
Economic B/C Ratio	10.74	75.00		

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

[2] The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 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.

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FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Glens Falls (Capital Region – Warren County) – Finch Modernization Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Finch Paper LLC ("Finch" or the "Company")

ESD* Investment: A grant of up to $1,000,000 to be used for a portion of the cost of machinery and equipment

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

Project Location: One Glen Street, Glens Falls, Warren County

Proposed Project: Purchase and installation of machinery and equipment to reduce production costs, increase operational efficiencies and retain jobs

Project Type: Productivity improvement involving the acquisition of machinery and equipment and job retention

Regional Council: The project is consistent with the Regional Plan's goal of sustaining and optimizing the Capital Region by strengthening a paper mill's competitive position and retaining jobs. Debabrata Mukherjee, President and CEO of Finch Paper LLC, is a member of the 22-person Capital Regional Economic Development Council ("CREDC"). In conformance with the State's policy,

this individual has recused himself on votes recommending this project. The CREDC includes 26 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

Employment:	Initial employment at time of ESD Incentive Proposal:	615
	Current employment level:	615
	Minimum employment through January 1, 2018:	615

II. Project Cost and Financing Sources

Financing Uses	Amount
Machinery and Equipment	$2,926,142
Installation	1,666,710
Contracted Services (i.e., Engineering/Management, etc.)	482,729
Soft Costs	4,343
Total Project Costs	$5,079,924

Financing Sources	Amount	Percent
ESD-Grant	$1,000,000	20%
Company Equity	4,079,924	80%
Total Project Financing	$5,079,924	100%

III. Project Description

A. Company

Industry: Paper manufacturer

Company History: Finch Paper LLC, previously known as Finch, Pruyn & Co., Inc., was founded in 1865 as a sawmill, lumberyard and quarry operation on the Upper Hudson River in Glens Falls, and the mill has manufactured paper since 1905. The Company produces more than 250,000 tons per year of premium uncoated printing paper for advertising materials, book publishing and business office uses from its single mill situated on 85 acres in Glens Falls.

Ownership: In 2007, Finch Paper LLC became a privately held, wholly-owned subsidiary of Finch Paper Holdings, LLC, a portfolio company owned by private equity firms Atlas Holdings LLC and Blue Wolf Capital Partners LLC. Atlas Holdings LLC is a holding company comprised of 16 platform companies with nearly 15,000 employees that operate from more than 100 facilities throughout North America, Europe, Asia and Australia. Blue

	Wolf Capital Management LLC is a private equity firm that invests in companies in which effective management of relationships with complex constituencies, such as government and labor, can change organizations and create value.
Size:	All facilities located in Glens Falls, NY.
Market:	The Company is a leader in the North American printing and converting paper markets, selling both parent rolls (77 percent of production) and converted sheet (23 percent of production) throughout the United States. Finch's primary competitors include International Paper and Domtar.
ESD Involvement:	For over a decade, North American graphic paper producers have struggled with overcapacity in a declining paper market that has experienced a 48% drop in demand. These conditions have resulted in the industry's removal of over 1.8 million tons of capacity per year through closure of 14 mills since 2001. Management expectations at Finch Paper are that the Company's success depends on its continued ability to lower costs, improve efficiency and grow top line products in a market projected to experience further declines at a rate of three to four percent per year. In 2014, the Company developed plans for a $20 million modernization project to strengthen the mill's competitive position by reducing its overall cost structure without negatively impacting employment. The first and most immediate phase of the plan included a $5 million investment to upgrade Finch's main wood yard, as the Company's current 1960s-era process involved high handling and transportation costs at multiple points in the process not only for Finch Paper, but also for is wood log raw material suppliers. The Company applied to Round 4 of the Consolidated Funding Application initiative for ESD funding to support upgrades to its wood processing operation, pulp mill facility and No. 4 paper machine. As one of the largest employers in Warren County and one of the largest manufacturers in the Capital Region, the CREDC designated the project as a priority.
Competition:	N/A
Past ESD Support:	This is the Company's first project with ESD.

B. The Project

Completion:	September 2015
Activity:	The Company purchased new machinery including a side-discharging

batch rotary debarking system and raw material handling equipment, allowing larger, eight-foot logs to travel more efficiently through the debarking and chipping processes and improving wood yield per log due to less cutting. Finch Paper also redesigned and resurfaced its wood yard, reducing average delivery and unloading times for supplying loggers from 90 minutes to 30 minutes, improving safety, and eliminating handling and transportation costs associated with off-site storage.

Results: Retain 615 jobs. The Company is exceeding its job retention commitment with current employment at 630. The project is also expected to generate savings of over $3 million annually through the consolidation of remote wood yards, higher yields, and lower procurement and operational costs.

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 $25,495,064;
- Fiscal cost to NYS government is estimated at $1,000,000;
- Project cost to NYS government per direct job is $3,162;
- Project cost to NYS government per job (direct plus indirect) is estimated at $1,043;
- Ratio of project fiscal benefits to costs to NYS government is 25.50:1;
- Fiscal benefits to all governments (state and local) are estimated at $43,412,975;
- Fiscal cost to all governments is $1,000,000;
- All government cost per direct job is $3,162;
- All government cost per total job is $1,043
- The fiscal benefit to cost ratio for all governments is 43.41:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $339,349,300, or $354,002 per job (direct and indirect);
- The economic benefit to cost ratio is 339.35:1;

- Project construction cost is $1,671,053, which is expected to generate 14 direct job years and 10 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 2.04 indirect jobs re anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

Grantee Contact: Debabrata Mukherjee
President and CEO
One Glen Street
Glens Falls, NY 12801
Phone: (518) 361-1480 X 5424

ESD Project No.: Z785

Project Team:		
	Origination	Arnie Will
	Project Management	Linda Dillon
	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 Company shall pay a commitment fee of 1% of the $1,000,000 capital grant ($10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement. Finch Paper Holdings LLC will guarantee the grant repayment obligation of its subsidiary, Finch Paper LLC, 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 required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a

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

5. Up to $1,000,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials including documentation of project costs totaling $5,000,000, and documentation of the employment of at least 615 Full-time Permanent Employees at the Project Location, 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 11, 2014, to be considered eligible project costs and expenses must be incurred on or after May 17, 2015 to be considered reimbursable project costs. All disbursements must be requested by April 1, 2017.

6. 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.

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	615

A	B
Reporting Date	Employment Goals
February 1, 2017	615
February 1, 2018	615

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Company shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR§142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 35% related to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

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

January 21, 2016

Regional Council Award – Priority Project – Glens Falls (Capital Region – Warren County) – Finch Modernization 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 Finch Modernization 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 Finch Paper LLC 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 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

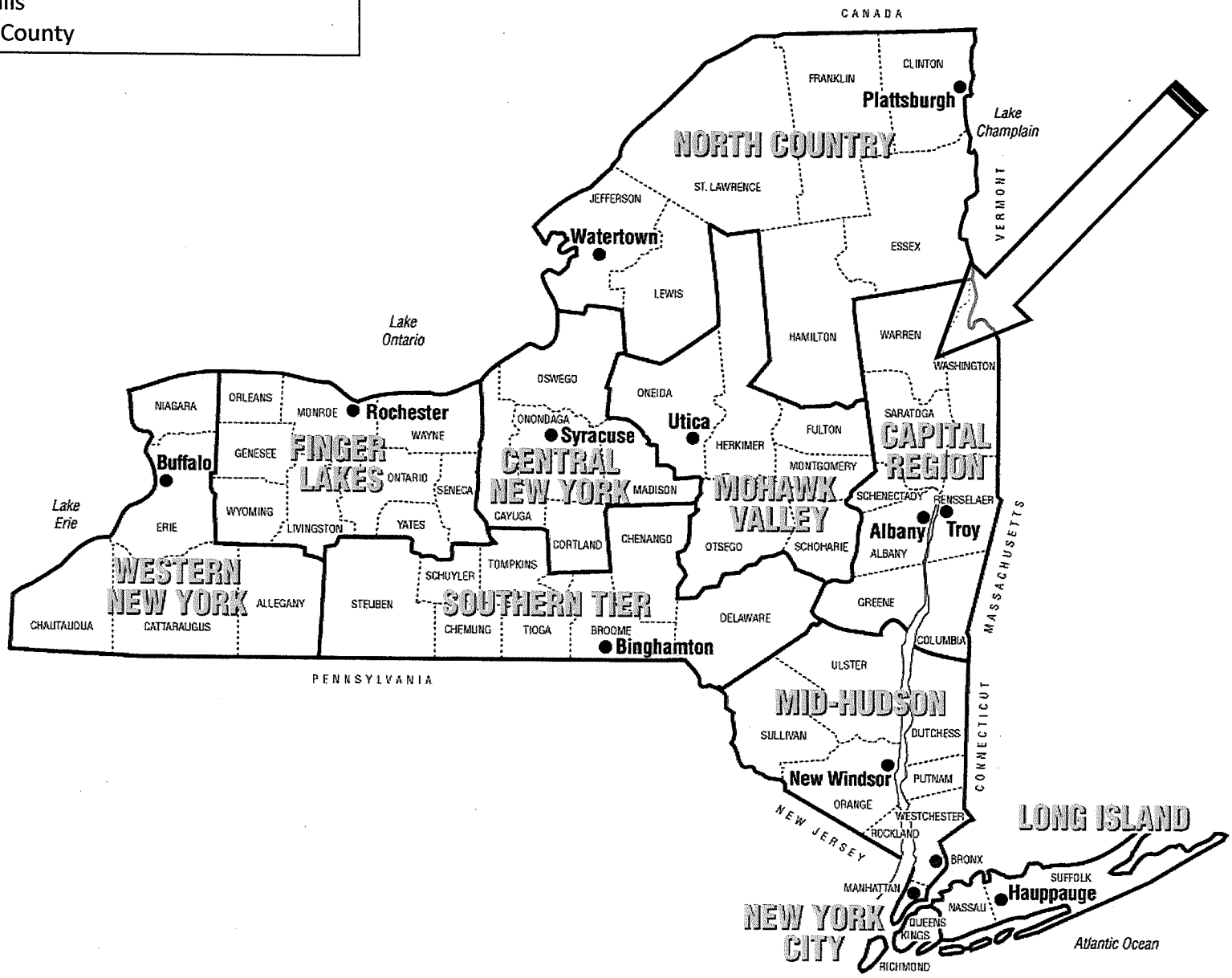
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

* * *

Finch Modernization Capital
Glens Falls
Warren County



Project Summary
Benefit-Cost Evaluation[1]

Finch Paper LLC – Business Investment

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

Initial Jobs: 615 **Construction Job Years (Direct):** 14
New Jobs: 0 over one year **Construction Job Years (Indirect):** 10

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks[2]	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs[3]	$1,000,000	$794,250	$1,000,000	$1,020,500
Fiscal Benefits[4]	$25,495,064	$2,085,600	$43,412,975	$4,271,980
Fiscal Cost /Direct Job	$3,162	$3,000	$3,162	$4,110
Fiscal Cost/Total Jobs	$1,043	$1,424	$1,043	$1,964
Fiscal B/C Ratio	25.50	7.00	43.41	10.60
	Project Results	**Benchmarks**		
Economic Benefits[5]	$339,349,300	$119,468,000		
Econ. Benefits/Total Jobs	$354,002	$147,600		
Economic B/C Ratio	339.35	75.00		

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

[2] The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 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.

FINCH PAPER
FINCH PAPER

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants)

REQUEST FOR: Affirmation of the Directors November 19, 2015 Findings Pursuant to Sections 16-6 and 10(g) of the UDC Act; Affirmation of the General Project Plan

---

I. Background

At their meeting on November 19, 2015, the ESD Directors adopted a General Project Plan ("GPP") under Section 16 of the UDC Act, and made findings and determinations authorizing two grants of up to an aggregate of $1,850,000 (Z188 – $950,000 and Z745 - $900,000) (the "Grants") to Eagle Street Corporation for a portion of the cost of construction of a parking garage and redevelopment of five row properties ("Wellington Row/Eagle Street Garage" or the "Project").

As required by Section 16(2) of the UDC Act, a public hearing on the GPP and the Grants was held at the Albany City Hall on Monday, December 14, 2014, from 11:00 a.m. to 12:00 p.m. ESD arranged the public hearing in accordance with all statutory requirements and applicable ESD policy. Specifically, a legal notice was published in the *Times Union* on November 25, 2015. The GPP and information about the Grants were made available at the office of the Albany County Clerk, the Albany City Clerk and at ESD's principal office.

A total of four persons spoke at the public hearing. A transcript of the testimony is attached hereto. Two persons commented in support of the Project. Supporters included the President of Capitalize Albany and the Executive Partner of Aeon Nexus, owner of one of the five Wellington Row properties. Supporters generally cited the Wellington Row/Eagle Street Garage's role in the revitalization of downtown Albany, the preservation of historic properties within a commercial area of the City, and the Project's role in expanding the economy in downtown Albany by creating job opportunities for both entry-level and highly-skilled workers.

Two persons commented by raising concerns, primarily about affordable housing in general and opportunities to increase affordable housing in downtown Albany and throughout the region and New York State. Both individuals' comments were presented on behalf of United Tenants of Albany.

II. Adverse Testimony and ESD Response

The following is a summary of the adverse comments that were received and required responses.

(i) Comment: Public information was not made available about the number of housing units and the price of the housing units.

ESD Response: The General Project Plan, which was available at the office of the Albany County Clerk, the office of the Albany City Clerk, at ESD's principal office and at the public hearing, states that the Project would create over 40,000 square feet of commercial and retail space and four market rate apartments. Based on information provided by Columbia Development Companies, rents will vary based on amenities (furnishings, parking, cleaning service, etc.) and length of lease term and may be up to $1,950/month per apartment.

(ii) Comment: We must work collaboratively to implement innovative policies to secure money from government sources and private developers to make affordable housing a significant part of building development in the Capital Region.

ESD Response: ESD is sensitive to the need for affordable housing opportunities throughout New York State. Capital Region projects funded through the Consolidated Funding Application ("CFA") process are recommended based on agency funding guidelines and priorities established by Capital Regional Economic Development Council ("CREDC"), which also recognizes the need for affordable housing, particularly through its Opportunity Agenda. In 2015, the CREDC reviewed needs assessment surveys of non-profit organizations representing over 6,000 constituencies to develop a five-year plan to transform the Capital Region. ESD encourages stakeholders to participate in CREDC public forum opportunities to develop collaborative and innovative policies to address affordable housing needs in the region. Regional Council Capital Funds ("RCCF"), the funding source for this Project, may support the commercial component of a mixed-use development proposal, but may not provide reimbursement for residential development costs.

(iii) Comment: We recommend apartment or condo pricing that makes housing units affordable to very low, low, moderate and high-income individuals. We want to see a spread of affordable units included in the residential units.

ESD Response: ESD's RCCF does not provide ESD with the authority to establish housing prices or the parameters of qualifying tenants for development projects. ESD's primary interest in funding development projects, with or without a housing component, is to support commercial revitalization in commercial business districts or commercial strips. Furthermore, the use of RCCF funding to directly support housing would be inappropriate, as it would duplicate efforts already underway by other agencies whose mission is to further affordable housing opportunities through the use of public funding.

III. Summary

After review and consideration of comments received at the public hearing, ESD staff believes that Wellington Row/Eagle Street Garage is an important part of the local revitalization plan for the area, that the concerns raised during the public hearing period have been adequately addressed, and Wellington Row/Eagle Street Garage is expected to have a positive impact on the community.

IV. Requested Action

The Directors are requested to affirm the findings related to the Grants for Wellington Row/Eagle Street Garage, made pursuant to the New York State Urban Development Corporation Act.

Additional Submissions to Directors
Resolutions
ESD Directors' Materials dated November 19, 2015
Transcript of the Public Hearing, dated December 16, 2015

January 21, 2016

Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants) – 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; Affirmation of the General Project Plan

---

WHEREAS, ESD staff has addressed the comments received at the public hearing on the GPP as set forth in the attached materials; it is hereby

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Eagle Street Corporation two grants for a total amount not to exceed One Million Eight Hundred Fifty Thousand Dollars ($1,850,000) 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.

* * *

January 21, 2016

Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants) – Determination of No Significant Effect on the Environment

---

RESOLVED, that based on the material submitted to the Directors with respect to the Wellington Row/Eagle Street Garage Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
November 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants)

REQUEST FOR: 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; Determination of No Significant Effect on the Environment

---

General Project Plan

I. Project Summary

Grantee: Eagle Street Corporation (the "Company" or the "Recipient")

ESD* Investment: Two grants of up to an aggregate $1,850,000 (Z188 – $950,000 and Z745 - $900,000) to be used for a portion of the cost of construction of a parking garage and redevelopment of five row properties

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

Project Locations: 132, 134, 136, 138 and 140 State Street and 67 Howard Street, Albany, Albany County

Proposed Project: Construction, furniture and fixtures, and soft costs to transform a row of five properties into new commercial, retail and residential space, and construction of a 315-space, 107,650-square-foot, five-level parking garage containing a 1,800-square-foot public access walkway, connecting the garage to nearby retail, office, exhibition and residential facilities in downtown Albany

Project Type: Construction

Regional Council: The project aligns with the Capital Region Economic Development Council's ("CREDC") Opportunity Agenda priority, as it focuses on redevelopment and investment in the City of Albany. Additionally, the project furthers the goal of bringing cities to life by revitalizing a commercial strip and rehabilitating historic structures with the creation of a mix of residential and commercial opportunities and improved amenities. Omar Usmani, the owner of 138 State Street, is a member of the 22-person CREDC. In conformance with the State's policy, this individual has recused himself on votes recommending this project. The Council includes 26 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

Financing Uses	Amount
Renovation – Wellington Row	$8,465,000
Construction – Eagle Street Garage	$6,450,000
Furniture & Fixtures	840,000
Soft Costs – Wellington Row	955,000
Soft Costs – Eagle Street Garage	440,000
Total Project Costs	$17,150,000

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD-Grant (Z188)	$950,000	6%	
ESD-Grant (Z745)	$900,000	6%	
Bank Loan – Capital Bank	6,750,000	39%	4.5%/10 yrs/first lien on RE
Bank Loan – SEFCU	5,225,000	30%	4.5%/10 yrs/first lien on RE
Company Equity	3,325,000	19%	
Total Project Financing	$17,150,000	100%	

III. Project Description

A. Company

Industry: Eagle Street Corporation is a real estate holding company that was formed to own, develop and redevelop properties located at 132, 134, 136 and 140 State Street and 67 Howard Street in Albany, New York.

Company History: Eagle Street Corporation was formed in 2013.

Ownership: The Company is privately held and is owned by Campus Associates VII,

LLC (80%) and DRL State Street LLC (20%). Campus Associates VII, LLC is owned by Joseph Nicolla. DRL State Street LLC is owned by the Donald R. LedDuke Trust. Joseph Nicolla is the primary owner of Columbia Development Companies, a diversified real estate investment and development company specializing in community enhancing commercial, hospitality, retail, and residential properties throughout the Northeast. Over the past 25 years, Columbia Development Companies has financed, designed and built properties with a combined value in excess of $1.5 billion.

Size: Eagle Street Corporation was established to own and redevelop properties located at 132, 134, 136 and 140 State Street and 67 Howard Street in Albany, and has no employees.

Market: The project establishes new commercial, retail and residential space in an urban area, and creates safe, secure parking for residents, businesses and visitors to downtown Albany amenities.

ESD Involvement: In 2000, the City of Albany established a development streetscape plan for its State Street corridor, the area's primary commercial and transportation corridor in downtown Albany, to encourage mixed-use development and ground floor pedestrian vibrancy. Five vacant buildings within this corridor (132, 134, 136, 138 and 140 State Street), known as "Wellington Row", were identified as a major barrier to future development because of the blighted condition of the properties and historic nature of the facades. In 2006, the City of Albany was the recipient of an ESD Restore NY grant to support a $5.8 million investment by Columbia Eagle, LLC (owned by Columbia Development Companies) to acquire the Wellington Row buildings, restore each building's façade, stabilize or demolish the rear portions, and remediate the site for future development. The subsequent recessionary period, coupled with the high cost of revitalizing historic structures, delayed further development of the site. The owner of Eagle Street Corporation applied to Rounds 3 and 4 of the Consolidated Funding Application for financial assistance to close projected funding gaps in the cost to renovate the five Wellington Row properties and construct a parking garage to accommodate the properties and visitors to area businesses and attractions, respectively. An Incentive Proposal offering $950,000 toward the Wellington Row project was accepted in May, 2014, and an Incentive Proposal offering $900,000 toward construction of the garage was accepted in May, 2015.

Competition: N/A

Past ESD Support: Funding for the past five years to the primary owner of the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Upstate Regional Blueprint	W938	$4,000,000	October 15, 2015	December 31, 2021	Capital – Building Renovations

B. The Project

Completion: November 2015

Activity: Buildings were reconstructed behind the facades of 132, 134 and 140 State Street and the buildings located behind the facades of 136 and 138 State Street were renovated, creating over 40,000 square feet of commercial and retail space and four market rate apartments. Additionally, a 315-space, 107,650-square-foot, five level parking garage and a 1,800-square-foot public access walkway was constructed on vacant property behind Wellington Row, to accommodate the Wellington Row businesses and residents, and visitors to the downtown area.

Results: The project has resulted in the complete renovation/reconstruction of five formerly blighted historic properties along a busy commercial corridor in downtown Albany. Almost all of the commercial space created at Wellington Row is occupied by companies including Capital Bank & Trust, National Industries for the Blind, Aeon Nexus and Capital Melts, creating almost 60 new jobs. Additionally, the project has created four new apartment units in a highly desirable downtown location. Finally, the project has created much needed parking and a pedestrian walkway that would provide safe, secure public access to adjacent and nearby retail, office, exhibition and residential facilities.

Economic Growth Investment Projects: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term

benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at $1,153,891;
- Fiscal cost to NYS government is estimated at $1,850,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.62:1;
- Fiscal benefits to all governments (state and local) are estimated at $2,015,280;
- Fiscal cost to all governments is $1,850,000;
- The fiscal benefit to cost ratio for all governments is 1.09:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $14,559,830;
- The economic benefit to cost ratio is 7.87:1;
- Project construction cost is $16,310,000, which is expected to generate 141 direct job years and 101 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Joseph R. Nicolla, President
302 Washington Avenue Extension
Albany, NY 12203
Phone: (518) 862-9133

ESD Project Nos.: Z188 and Z745

Project Team:		
	Origination	Arnie Will
	Project Management	Linda Dillon
	Legal	Maria Cassidy
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement(s), the Company shall pay a commitment fee of 1% of the $1,850,000 (Z188 – $950,000 and Z745 - $900,000)

capital grants ($18,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to $1,850,000 will be disbursed to Grantee upon documentation of construction, renovation, furniture and fixtures and soft costs totaling $17,150,000, as evidenced by a certificate of occupancy or other documentation verifying completion, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses associated with the redevelopment of Wellington Row must be incurred on or after December 19, 2013, to be considered eligible, reimbursable project costs. Expenses associated with construction of the parking garage must be incurred on or after May 6, 2015, to be considered reimbursable project costs. Matching expenses must be incurred on or after December 11, 2014. All disbursements must be requested by April 1, 2017.

5. At ESD's discretion, the Grantee may be required to submit annual progress reports on the achievement of the following project goals and metrics annually for three (3) years following the final disbursement:

   Goals:
   i. Create 17 new jobs in downtown Albany
   ii. Attract residents in downtown Albany

   Metrics:
   i. Report the number of businesses operating out of the Wellington Row renovated commercial properties
   ii. Report employment resulting from new commercial operations located at Wellington Row
   iii. Report the number of tenants attracted to downtown Albany by the new residential properties at Wellington Row

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than 1,850,000, 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. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

IV. Statutory Basis – Regional Council Capital Fund

Project Z188 was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 and 2015-2016 New York State budgets. Project Z745 was authorized in the 2014-2015 New York State budget reappropriated in the 2015-2016 New York State budge. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The City of Albany 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on October 17, 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.

Due to the site's location within the Downtown Albany Historic District, which is listed in the National Register of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law ("Section 14.09"). The project is in compliance with the requirements of Section 14.09.

VI. Smart Growth Public Infrastructure Review

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

VII. Non-Discrimination and Contractor & Supplier Diversity

Z188 - ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to the Project. The Company shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 13% and a Women Business Enterprise ("WBE") Participation Goal of 10% related to the total value of ESD's funding.

Z745 - ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to the Project. The Company shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 33%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 13% and a Women Business Enterprise ("WBE") Participation Goal of 20% related to the total value of ESD's funding.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis
Project Photographs

November 19, 2015

Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Eagle Street Corporation two grants for a total amount not to exceed One Million Eight Hundred Fifty Thousand Dollars ($1,850,000) 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.

* * *

November 19, 2015

Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Wellington Row/Eagle Street Garage Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Project Summary
Benefit-Cost Evaluation[1]

Economic Growth/Infrastructure Project
Eagle Street Corporation – Wellington Row/Eagle Street Garage

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 141
Construction Job Years (Indirect): 101

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 Costs[3]	$1,850,000	$794,250	$1,850,000	$1,020,500
Fiscal Benefits[4]	$1,153,891	$2,085,600	$2,015,280	$4,271,980
Fiscal B/C Ratio	0.62	3.00	1.09	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$14,559,830	$119,468,000
Economic B/C Ratio	7.87	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.

[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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

[5] Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

PUBLIC HEARING IN THE MATTER OF:

ESD PROJECT Z188 & Z745

WELLINGTON ROW/EAGLE STREET GARAGE CAPITAL PROJECT

The following stenographic proceedings held before Frederick W. Killeen, Esq., hearing officer, in the above-entitled matter, on December 14, 2015, commencing at 11:08 a.m., at Albany City Hall, Room 102, Mayors Conference Room, 24 Eagle Street, Albany, New York 12207, before Stephen Carr, Court Reporter and Notary Public.

ORIGINAL

A-P-P-E-A-R-A-N-C-E-S:

FREDERICK W. KILLEEN, ESQ.
Hearing Officer
179 Jay Street
Schenectady, New York 12305

Linda Dillon
EDPS II, Project Manager
Empire State Development Corporation
Hedley Park Place
433 River Street, Suite 1003
Troy, New York 12180

SPEAKERS:

Tracey Casseus, United Tenants of Albany
Roger Markovics, United Tenants of Albany
Omar Usmani, Aeon Nexus
Sarah Reginelli, Capitalize Albany

EXHIBITS:

Number	Description	For Ident.
1	Public notice	3
2	Affidavit of publication	3
3	General Project plan	3

(Exhibits 1 through 3 were pre-marked for identification.)

MR. KILLEEN: Good morning, ladies and gentleman. My name is Frederick Killeen. I am an attorney duly admitted to practice law in the State of New York. And I have been asked by the New York State Urban Development Corporation, doing business as Empire State Development, or ESD, to conduct a public hearing pursuant to Section 16 of the New York State Urban Development Corporation Act. This hearing is being held pursuant to a public notice published in accordance with the UDC Act, in the November 25th 2015 edition of the Times Union.

The purpose of this hearing is to afford the general public an opportunity to make statements and comments about ESD's general project plan for the proposed Wellington Row/Eagle Street Garage Capital Project. Today's hearing will remain open for a period of not less than one hour or until all members of the public who are present at the hearing have been given an opportunity to make statements or comments about the proposed project.

This is not a question and answer session. A stenographic transcript of the hearing is being made. Comments presented at the hearing will be

taken into consideration by ESD as part of their final approval of the proposed project.

First, after I am done, Linda Dillon will present information about the project on behalf of ESD. Then I will recognize anyone else who wishes to make a comment about the project. If you wish to speak at today's hearing, please sign in the register. Copies of ESD's general project plan for the proposed project are available for your information and convenience. In order to give everyone an ample opportunity to speak, I request that each person limit their comments to a period of not more than five minutes. Speakers representing organizations with a substantial number of members are asked to register and identify themselves as such. And depending on the number of speakers wishing to be heard, you may be afforded up to ten minutes for your presentation. In order to ensure an accurate transcript and enable all assembled to hear your remarks, I ask each speaker when called upon to come to the front of the room -- which I guess we can say is somewhere in the middle -- please state your name and address, and if you are representing an organization, the name and address of the entity which you represent and its address.

Finally, I am going to remind everyone

again, the purpose of today's hearing is to afford the public an opportunity to make comments about the project. It is not a question and answer session. I have already marked for the record the following Exhibits: Exhibit 1, the public notice which appeared in the Times Union, on November 25th 2015; a copy of the affidavit of publication as Exhibit 2; and a copy of the general project plan, entitled Empire State Development Wellington Row/Eagle Street Garage Capital Project has also been marked as Exhibit 3.

Linda?

MS. DILLON: Good morning, my name is Linda Dillon. And I'm a project manager at Empire State Development. And I am here today to present a brief summary of the project. The project involves the construction, furniture, fixtures and soft costs, to Eagle Street Corporation to transform a row of five historic properties into new commercial, retail and residential space, at 132, 134, 136, 138 and 140 State Street, in Albany. It also includes construction of a 315-space, 107,650-square-foot, five-level parking garage, at 67 Howard Street, in Albany, containing an 1,800-square-foot public access walkway to accommodate the Wellington Row properties and visitors to area businesses and attractions. Total project costs are

expected to be approximately $17,150,000. ESD proposes to make two grants totalling $1,850,000 to Eagle Street Corporation to assist in the financing of the project. The remainder of the project costs will be contributed by bank financing and company equity.

MR. KILLEEN: Thank you, Linda. I would like now to recognize the first speaker. And again, please state your name for the record. I notice somebody just came in. So, if you want to speak, please sign in on the register. Go ahead.

MS. CASSEUS: Thank you. My name is Tracey Casseus. I am a housing counselor. I work at United Tenants of Albany. We are a non-profit located in downtown Albany, on Clinton Avenue, 33 Clinton Avenue. We serve tenants of low income, moderate income dealing with rents and housing. And we're concerned about affordable housing in general for the City of Albany and how we can preserve and create more opportunities for people of low income and moderate income to regain stable housing in the city. As a resident here -- I moved to Albany in 2012 -- I used to live at 111 State Street and across the street from where you guys are developing now. And I remember when those were vacants and there was blight and there was nothing there. So, it's great that there's investment

coming into that block and there will be housing and there will be construction and there will be jobs available in that area. But all the housing isn't created equal in the city. Some of the new projects that we have are upscale developments and these housing costs about $1,200 for a one bedroom studio and the clients barely can afford those rents. And so, I would like to talk about affordability and creating more options for that. So, if there is going to be development happening in Albany, there needs to be an allotment of units that are going to be certainly affordable. So, if there be 30 percent of units available, 50 percent of units, they need to be moderately priced for people of low to moderate means. I actually wanted to read something. One second, I will just read that and then -- if I can find it. Here we go.

"Albany and much of the Capital Region, continues to face a critical shortage of affordable housing. Rents are rising while incomes remain stagnant and the result is that more and more households are paying a higher percentage of their income towards rent, leaving them severely rent burdened.

"According to the Department of Housing

and Urban Development (HUD), housing is considered affordable when it consumes less than 30 percent of the household's income. Housing costs include the monthly cost for utilities, fuel, mortgages, insurance for the home and real estate taxes. Incomes and housing costs vary regionally throughout New York State amid renters and homeowners, but these households still encounter great difficulty in paying their housing costs. As of 2012, more than half of New York State's rental households were above the affordability threshold, and 33.9 percent of New York's homeowners were above the affordability threshold, as well"

"A combination of factors including comparatively slow economic growth over time, a rising real estate tax burden and limited housing supply in many areas of the State contribute to the shortage of affordable housing. Drastic cuts in federal food stamp allotments and unemployment benefits undermined the meager budgets of people with low wages and fixed incomes. Combining that with the harsh winter and rising utility costs where consumers saw their bills double, if not triple, means the cost of living is growing more and more expensive throughout the Capital Region

"What is happening in the region is not

isolated. According to the New York State Comptroller's Report on Housing Affordability in New York State, in the recent years between the 2000 Census and the 2012 American Community Survey the number of New York State households above the affordability threshold increased for rental households and homeowner households by 25.7 percent and 86.2 percent respectively.

"The lack of affordable housing leads to rent and mortgage delinquencies and evictions and subsequent homelessness and destabilization of families, children and communities. The trauma of displacement disrupts work, education and health services.

"A critical factor in creating successful affordable housing is the duration of affordability, or how affordable housing can be preserved for the most people for the longest time. We seek permanently affordable housing throughout the Capital Region.

"It is imperative that we work to create policies that support and stimulate the development of permanent affordability that encompasses economic diversity. We must work collaboratively to implement innovative policies to secure money from government sources and private developers to make affordable

housing a significant part of building development everywhere in the Capital Region. This will not be easy, but it is being done in numerous cities throughout the country.

"To enhance the quality of life for all residents in the Capital Region we must alleviate endemic urban poverty by creating communities that are accessible to a range of residents: The poor, working class and the middle class."

That's all I want to say.

MR. KILLEEEN: Thank you. The next speaker?

MR. MARKOVICS: My name is Roger Markovics. That's M-A-R-K-O-V-I-C-S. And I work with United Tenants along with Tracey. And I live over on 38 Myrtle Avenue, close to downtown. I have the same concerns that Tracey does, about the need for affordable housing. And I just have a lot of questions about the development of Wellington Row. How many of units of houses are going to be there?

MR. KILLEEN: Let me just stop you, sir. So you understand, if you had been here for my preliminary statement, this is not --

MR. MARKOVICS: I was late getting here.

MR. KILLEEN: This is not a question and

answer session. If you want to make a statement or a comment about the project, you are free to do that, but it is not an exchange.

MR. MARKOVICS: Okay, all right. Well, these are concerns that we have that no -- I'm not aware of any public information being made about the number of units and the price of the units. The Common Council, secretary or whatever, sent out a notice about this as a public hearing about Wellington Row and said that the -- said the parking garage and in connection with the convention center, that the Wellington Row was going to be redeveloped with a blend of commercial, retail and residential. So, on the residential end, we want to see a spread of affordable units included in the residential units. All the downtown warehouses and buildings that are being redeveloped have been empty, so no one's been displaced. But the price level, as Tracey said, has been very high -- are very high. And this developed an isolated downtown salient with very high rents and low income and moderate income in neighborhoods outside of it. And to have a viable downtown you need to have a mixture of incomes. The people who are going to be working at the convention center and the businesses that are going to be supporting it are going to be service workers. And

they need -- their incomes are going to be moderate to low to moderate income. And there's a lot of variations and it will have fluctuating incomes. And so, they need affordable units. So, we recommend very strongly that there be a blend of apartment or condo prices that make them affordable to very low income people, low income, moderate income, as well as the affluent or the upscale market. Exactly what that blend is, we would like to meet with the developers and with the City and State officials to figure out how to do this. We are hoping, we are looking for some -- looking for the developer and the responsibility of the district redevelopment to come up with some recommendations about what they are going to do, share them with us, get some feedback. We don't want -- we want to see the convention center and this whole redevelopment working, but it's got to work in a way that really benefits everybody. And since this is State money, public money, going in here it has to benefit the entire public and not end up slowly reenforcing a segregated housing pattern that looks like it's emerging with the upscale development isolating downtown with poverty and people suffering and overpriced housing throughout the city. So, those are my comments. And I would like to -- you can't do

this now, but I would like to -- our address is 33 Clinton. And the e-mail address and phone number -- we would like information about the income spreads and the development costs, whatever it is, that we would like sent to us. And we would like to be able to look them over and share them with others, with other people who are involved in a coalition and we are going to be sharing this information with other folks about like more creative ways of redeveloping our downtown.

MR. KILLEEN: Okay, thank you.

MS. CASSEUS: Can I submit what I just read?

MR. KILLEEN: You can. You can submit whatever you want and it will become part of the record.

MS. CASSEUS: Okay.

MR. KILLEEN: Am I correct, just for the record, you are both speaking on behalf of the same organization; is that correct?

MR. MARKOVICS: Same organization, but we are working in coalition with a few other organizations.

MR. KILLEEN: My point is, you are here today representing or speaking on behalf of the organization, United Tenants of Albany, to

keep the record clear?

MS. CASSEUS: Sure.

MR. KILLEEN: Okay, thank you.

Anyone else at this time who wishes to be heard? Seeing that there isn't anybody else present at this time, we will keep the record open for an hour. And if someone else comes in, then we will recognize them at that time. At this point, we will go off the record. Thank you.

(Whereupon, a short recess was taken.)

MR. KILLEEN: Let the record reflect it's 11:41. We are going to go back on the record because someone else has come into the hearing room. And they might want to speak on behalf of Capitalize Albany; is that correct?

MS. REGINELLI: That is correct.

MR. KILLEEN: And your name is Sarah...

MS. REGINELLI: Reginelli.

MR. KILLEEN: I apologize, it's actually quite neatly written. Go ahead.

MS. REGINELLI: Sure. I would like to start by thanking Governor Cuomo and the State for their support of this critical project in downtown Albany. This project has been incredible for the city in really four main areas: One is just general

downtown revitalization. The city has been undergoing revitalization for about a decade now in a targeted strategic way. And that core number of buildings on State Street, culminating with the Renaissance Hotel at the top, Wellington Row, that has been not only a symbol of the renaissance and rebirth of Albany, but also really a critical need and a gap in downtown revitalization. The second point is for historic preservation. Each of those buildings has played a key role in the history of Albany. And to have those buildings sitting vacant and blighted on one of the most iconic streets in the state was a travesty. So, to have those up and running has been a boom, not only to the city but to the region and state, as well. The third piece is really creating jobs that are low-barrier entry jobs, particularly at the Renaissance Hotel. For people who are proud of the city, excited to be working for an organization that is a truly good organization to work for, that has been a credit, as well. And finally, in support of the Capital Center, which is just around the corner, both literally and time-wise, to have that corner of Albany be back up and running in time to welcome visitors for the 2017 opening of the Capital Center was truly necessary and couldn't have been done without the State's support

MR. KILLEEN: Okay, thank you.

MS. REGINELLI: Thanks.

MR. KILLEEN: Is there anybody else that's come for the hearing? Seeing that there is nobody, we will go off the record again and resume at approximately noontime in case we have other speakers.

(Whereupon, a short recess was taken.)

MR. KILLEEN: Good afternoon, we are going back on the record. It's approximately 11:50 a.m. We have another speaker. And this is the public hearing for the Empire State Development project relative to Wellington Row. And, again, I will state what I said to everybody else, that this is not a question and answer session. It's simply an opportunity for the public to make general comments about the project plan. That being said, we recognize Omar Usmani. Am I getting the last name right?

MR. USMANI: Usmani.

MR. KILLEEN: And you are speaking on behalf of?

MR. USMANI: Aeon Nexus.

MR. KILLEEN: Okay.

MR. USMANI: So, funding for the Wellington Row, had it not been for the funds that were allocated to the project called -- across State Street

and the hotel going all the way down to 132 State Street, my organization would not have invested over $2 million into 138 State Street and provided 25 new jobs, high-paying jobs. Had each project not been planned or allocated as such, we would never have been involved. In fact, out of those series of projects, we made such a stake and claim into Albany, that we decided not to be a renter. We purchased 138 State Street because of the developments that Columbia Development had put together. So, our interest was very much on redevelopment of that block as an economic driver for the entire community. Watching that block be revitalized has garnered more interest in all of downtown Albany because of it. I can see myself investing more money into the City of Albany, especially in other districts, because of the experience that I had at the top of State Street. Absolutely fantastic. So, as far as our organization and my own investments, not speaking as the Regional Economic Development Council member for a moment, I see Albany as a terrific opportunity, and that row of buildings there really does speak to that. Not investing in that, as far as economic development, would be a true shame and a crime to further development in this city. I brought personally friends

and investors from outside our region to visit our building, to visit Wellington Row, and especially the new hotel. And interest in those properties, including Berkshire Apartments, has been absolutely fantastic. So, seeing what's happened, it's uplifting the entire community and it's definitely something that we should be continuing investing in, because the impact it has had is much wider and much broader felt than just our block. It's all of Albany who are represented by the fact. I hope that helps.

MR. KILLEEN: Thank you.

MR. UMARI: Absolutely. Is there anything else that you need from me? That was a positive comment. I hope you guys got that. Thank you for all of your work.

MR. KILLEEN: Again, the hearing will remain open. We will go off the record for now and see if we have anybody else come in.

(Whereupon, a short recess was taken.)

(Continued on the next page.)

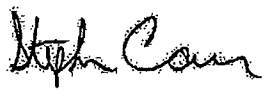
MR. KILLEEN: We are back on the record. It's about 12:05 p.m. The hearing has been open for an hour. Is there anyone else who wishes to be heard at this time? Seeing that there is no one else, it's now 12:06 p.m. and the hearing is concluded. Thank you everyone for taking the time to attend.

MS. DILLON: Thank you.

(Whereupon, at 12:05 p.m., the above-entitled matter was concluded.)

CERTIFICATION

I, Stephen Carr, a court reporter and Notary Public in and for the State of New York, do hereby certify that the foregoing record taken by me at the time and place herein stated and the preceding testimony is a true and accurate transcript hereof to the best of my ability and belief.



STEPHEN CARR

Dated: December 16, 2015.

** PLEASE NOTE: This transcript is not to be distributed to any third-party. You may copy it or send it internally within your own offices and branches. Notify this office first if you need to distribute or copy any portion of it for any other purposes.

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LEGAL NOTICE

PLEASE TAKE NOTICE that the New York State Urban Development Corporation, doing business as Empire State Development ("ESD" or the "Corporation"), pursuant to Section 16(2) of the New York State Urban Development Corporation Act (Chapter 174, Section 1, Laws of 1968, as amended) (the "Act"), has adopted a General Project Plan (the "Plan") with respect to the Wellington Row/Eagle Street Garage Capital Project (the "Project") at the Directors' meeting on November 19, 2015. Copies of the Plan are available without charge to any person who shall make a request for the same at the office of the Corporation. The Corporation will file such Plan in the office of the Albany County Clerk at 16 Eagle Street, Albany, NY 12207. A copy of the Plan is also on file at the principal office of the Corporation, 633 Third Avenue, New York, New York 10017, and is available for inspection by the general public Monday through Friday, between the hours of 9:00 a.m. and 5:30 p.m.

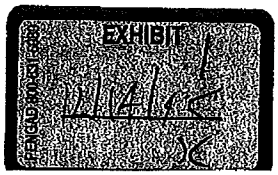
The Project includes construction, furniture and fixtures, and soft costs by Eagle Street Corporation to transform a row of five historic properties into new commercial, retail and residential space at 132, 134, 136, 138 and 140 State Street in Albany. It also includes the construction of a 315-space, 107,650-square foot, five-level parking garage at 67 Howard Street in Albany containing a 1,800-square-foot public access walkway, to accommodate the Wellington Row properties and visitors to area businesses and attractions. Total Project costs are expected to be approximately $17,150,000. ESD proposes to make a $1,850,000 grant to Eagle Street Corporation to assist in the financing of the Project.

PLEASE TAKE FURTHER NOTICE, that, in accordance with Section 16(2) of the Act, a public hearing, open to all persons, will be held by the Corporation at the Albany City Hall, 24 Eagle Street, Mayor's Conference Room, Room 102, Albany, NY 12207 on December 14, 2015 at 11:00 a.m. to consider the Plan.

DATED: November 19, 2015
New York, New York
New York State Urban Development Corporation

By: Eileen McEvoy, Corporate Secretary

TU 1t (851103)



TIMES UNION

In Print. Online. All the Time.

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News Plaza
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Albany, New York 12212

EMPIRE STATE DEVELOPMENT
433 RIVER ST. SUITE 1003
TROY, NY 12180

Account Number: 600068776
Order Number: 0003851103
Order Identifier: LEGAL NOTICE

T Dollard / B Goodwin / L Kolach / R Bernard/ I Taber of the city of Albany, being duly sworn, says that he/she is principal Clerk of THE TIMES UNION, a daily newspaper printed in the county of Albany, Town of Colonie, and Published in the County of Albany, Town of Colonie and the city of Albany, aforesaid and that notice of which a printed copy is annexed has been regulary published in the said ALBANY TIMES UNION on the following dates

11-25-2015

Dollard

EXHIBIT 9
12/4/15
JC

Sworn to before me, this Friday, November 27, 2015

Traci Rabidoue

TRACI RABIDOUE
NOTARY PUBLIC, State of New York
Qualified in Albany County
No. 01RA6319968
Commission Expires March 2, 2019

Notary Public
Albany County

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
November 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants)

REQUEST FOR: 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; Determination of No Significant Effect on the Environment

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General Project Plan

I. Project Summary

Grantee: Eagle Street Corporation (the "Company" or the "Recipient")

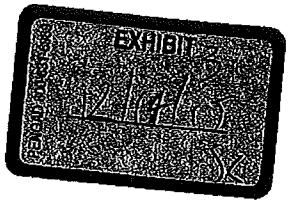
ESD* Investment: Two grants of up to an aggregate $1,850,000 (Z188 – $950,000 and Z745 - $900,000) to be used for a portion of the cost of construction of a parking garage and redevelopment of five row properties

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

Project Locations: 132, 134, 136, 138 and 140 State Street and 67 Howard Street, Albany, Albany County

Proposed Project: Construction, furniture and fixtures, and soft costs to transform a row of five properties into new commercial, retail and residential space, and construction of a 315-space, 107,650-square-foot, five-level parking garage containing a 1,800-square-foot public access walkway, connecting the garage to nearby retail, office, exhibition and residential facilities in downtown Albany

Project Type: Construction



Regional Council: The project aligns with the Capital Region Economic Development Council's ("CREDC") Opportunity Agenda priority, as it focuses on redevelopment and investment in the City of Albany. Additionally, the project furthers the goal of bringing cities to life by revitalizing a commercial strip and rehabilitating historic structures with the creation of a mix of residential and commercial opportunities and improved amenities. Omar Usmani, the owner of 138 State Street, is a member of the 22-person CREDC. In conformance with the State's policy, this individual has recused himself on votes recommending this project. The Council includes 26 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

Financing Uses	Amount
Renovation – Wellington Row	$8,465,000
Construction – Eagle Street Garage	$6,450,000
Furniture & Fixtures	840,000
Soft Costs – Wellington Row	955,000
Soft Costs – Eagle Street Garage	440,000
Total Project Costs	$17,150,000

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD-Grant (Z188)	$950,000	6%	
ESD-Grant (Z745)	$900,000	6%	
Bank Loan – Capital Bank	6,750,000	39%	4.5%/10 yrs/first lien on RE
Bank Loan – SEFCU	5,225,000	30%	4.5%/10 yrs/first lien on RE
Company Equity	3,325,000	19%	
Total Project Financing	$17,150,000	100%	

III. Project Description

A. Company

Industry: Eagle Street Corporation is a real estate holding company that was formed to own, develop and redevelop properties located at 132, 134, 136 and 140 State Street and 67 Howard Street in Albany, New York.

Company History: Eagle Street Corporation was formed in 2013.

Ownership: The Company is privately held and is owned by Campus Associates VII,

LLC (80%) and DRL State Street LLC (20%). Campus Associates VII, LLC is owned by Joseph Nicolla. DRL State Street LLC is owned by the Donald R. LedDuke Trust. Joseph Nicolla is the primary owner of Columbia Development Companies, a diversified real estate investment and development company specializing in community enhancing commercial, hospitality, retail, and residential properties throughout the Northeast. Over the past 25 years, Columbia Development Companies has financed, designed and built properties with a combined value in excess of $1.5 billion.

Size: Eagle Street Corporation was established to own and redevelop properties located at 132, 134, 136 and 140 State Street and 67 Howard Street in Albany, and has no employees.

Market: The project establishes new commercial, retail and residential space in an urban area, and creates safe, secure parking for residents, businesses and visitors to downtown Albany amenities.

ESD Involvement: In 2000, the City of Albany established a development streetscape plan for its State Street corridor, the area's primary commercial and transportation corridor in downtown Albany, to encourage mixed-use development and ground floor pedestrian vibrancy. Five vacant buildings within this corridor (132, 134, 136, 138 and 140 State Street), known as "Wellington Row", were identified as a major barrier to future development because of the blighted condition of the properties and historic nature of the facades. In 2006, the City of Albany was the recipient of an ESD Restore NY grant to support a $5.8 million investment by Columbia Eagle, LLC (owned by Columbia Development Companies) to acquire the Wellington Row buildings, restore each building's façade, stabilize or demolish the rear portions, and remediate the site for future development. The subsequent recessionary period, coupled with the high cost of revitalizing historic structures, delayed further development of the site. The owner of Eagle Street Corporation applied to Rounds 3 and 4 of the Consolidated Funding Application for financial assistance to close projected funding gaps in the cost to renovate the five Wellington Row properties and construct a parking garage to accommodate the properties and visitors to area businesses and attractions, respectively. An Incentive Proposal offering $950,000 toward the Wellington Row project was accepted in May, 2014, and an Incentive Proposal offering $900,000 toward construction of the garage was accepted in May, 2015.

Competition: N/A

Past ESD Support: Funding for the past five years to the primary owner of the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Upstate Regional Blueprint	W938	$4,000,000	October 15, 2015	December 31, 2021	Capital – Building Renovations

B. The Project

Completion: November 2015

Activity: Buildings were reconstructed behind the facades of 132, 134 and 140 State Street and the buildings located behind the facades of 136 and 138 State Street were renovated, creating over 40,000 square feet of commercial and retail space and four market rate apartments. Additionally, a 315-space, 107,650-square-foot, five level parking garage and a 1,800-square-foot public access walkway was constructed on vacant property behind Wellington Row, to accommodate the Wellington Row businesses and residents, and visitors to the downtown area.

Results: The project has resulted in the complete renovation/reconstruction of five formerly blighted historic properties along a busy commercial corridor in downtown Albany. Almost all of the commercial space created at Wellington Row is occupied by companies including Capital Bank & Trust, National Industries for the Blind, Aeon Nexus and Capital Melts, creating almost 60 new jobs. Additionally, the project has created four new apartment units in a highly desirable downtown location. Finally, the project has created much needed parking and a pedestrian walkway that would provide safe, secure public access to adjacent and nearby retail, office, exhibition and residential facilities.

Economic Growth Investment Projects: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term

benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at $1,153,891;
- Fiscal cost to NYS government is estimated at $1,850,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.62:1;
- Fiscal benefits to all governments (state and local) are estimated at $2,015,280;
- Fiscal cost to all governments is $1,850,000;
- The fiscal benefit to cost ratio for all governments is 1.09:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $14,559,830;
- The economic benefit to cost ratio is 7.87:1;
- Project construction cost is $16,310,000, which is expected to generate 141 direct job years and 101 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Joseph R. Nicolla, President
302 Washington Avenue Extension
Albany, NY 12203
Phone: (518) 862-9133

ESD Project Nos.: Z188 and Z745

Project Team:

Origination	Arnie Will
Project Management	Linda Dillon
Legal	Maria Cassidy
Contractor & Supplier Diversity	Denise Ross
Finance	John Bozek
Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement(s), the Company shall pay a commitment fee of 1% of the $1,850,000 (Z188 – $950,000 and Z745 - $900,000)

capital grants ($18,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to $1,850,000 will be disbursed to Grantee upon documentation of construction, renovation, furniture and fixtures and soft costs totaling $17,150,000, as evidenced by a certificate of occupancy or other documentation verifying completion, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses associated with the redevelopment of Wellington Row must be incurred on or after December 19, 2013, to be considered eligible, reimbursable project costs. Expenses associated with construction of the parking garage must be incurred on or after May 6, 2015, to be considered reimbursable project costs. Matching expenses must be incurred on or after December 11, 2014. All disbursements must be requested by April 1, 2017.

5. At ESD's discretion, the Grantee may be required to submit annual progress reports on the achievement of the following project goals and metrics annually for three (3) years following the final disbursement:

   Goals:
   i. Create 17 new jobs in downtown Albany
   ii. Attract residents in downtown Albany

   Metrics:
   i. Report the number of businesses operating out of the Wellington Row renovated commercial properties
   ii. Report employment resulting from new commercial operations located at Wellington Row
   iii. Report the number of tenants attracted to downtown Albany by the new residential properties at Wellington Row

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than 1,850,000, 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. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

IV. Statutory Basis – Regional Council Capital Fund

Project Z188 was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 and 2015-2016 New York State budgets. Project Z745 was authorized in the 2014-2015 New York State budget reappropriated in the 2015-2016 New York State budge. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The City of Albany 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on October 17, 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.

Due to the site's location within the Downtown Albany Historic District, which is listed in the National Register of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law ("Section 14.09"). The project is in compliance with the requirements of Section 14.09.

VI. Smart Growth Public Infrastructure Review

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

VII. Non-Discrimination and Contractor & Supplier Diversity

Z188 - ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to the Project. The Company shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 13% and a Women Business Enterprise ("WBE") Participation Goal of 10% related to the total value of ESD's funding.

Z745 - ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to the Project. The Company shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 33%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 13% and a Women Business Enterprise ("WBE") Participation Goal of 20% related to the total value of ESD's funding.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis
Project Photographs

November 19, 2015

Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Eagle Street Corporation two grants for a total amount not to exceed One Million Eight Hundred Fifty Thousand Dollars ($1,850,000) 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.

* * *

November 19, 2015

Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Wellington Row/Eagle Street Garage Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Project Summary
Benefit-Cost Evaluation[1]

Economic Growth/Infrastructure Project
Eagle Street Corporation – Wellington Row/Eagle Street Garage

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 141
Construction Job Years (Indirect): 101

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 Costs[3]	$1,850,000	$794,250	$1,850,000	$1,020,500
Fiscal Benefits[4]	$1,153,891	$2,085,600	$2,015,280	$4,271,980
Fiscal B/C Ratio	0.62	3.00	1.09	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$14,559,830	$119,468,000
Economic B/C Ratio	7.87	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.

[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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

[5] Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

Housing For All

The Problem

Albany, and much of the Capital Region, continues to face a critical shortage of affordable housing. Rents are rising while incomes remain stagnant and the result is that more and more households are paying a higher percentage of their income towards rent leaving them severely rent burdened.

According to the Department of Housing and Urban Development (HUD), housing is considered affordable when it consumes less than 30 percent of the household's income. Housing costs include the monthly cost for utilities, fuel, mortgages, insurance for the home and real estate taxes. Incomes and housing costs vary regionally throughout New York State amid renters and homeowners but these household still encounter great difficulty in paying their housing costs. As of 2012, more than half of New York states rental households were above the affordability threshold, and 33.9 percent of New York's homeowners were above the affordability threshold[1]. (DiNapoli, 2014, p. 4)

Root Causes

A combination of factors including comparatively slow economic growth over time, a rising real estate tax burden and limited housing supply in many areas of the State contribute to the shortage of affordable housing. Drastic cuts in federal food stamp allotments and unemployment benefits undermined the meager budgets of people with low wages and fixed incomes. Combining that with the harsh winter and rising utility costs where consumers saw their bills double, if not triple, means the cost of living is growing more and more expensive throughout the Capital Region.

What is happening in the region is not isolated. According to the New York State Comptroller's Report on Housing Affordability in New York State, in the years between the 2000 Census and the 2012 American Community Survey the number of New York State households above the affordability threshold increased for rental households and homeowner households by 25.7 percent and 86.2 percent respectively. (DiNapoli, 2014, p. 4)

Impacts

The lack of affordable housing leads to rent/mortgage delinquencies and evictions and subsequent homelessness and destabilization of families, children and communities. The trauma of displacement disrupts work, education and health services.

Solutions

A critical factor in creating successful affordable housing is the duration of affordability, or how affordable housing can be preserved for the most people for the longest time. We seek permanently affordable housing throughout the Capital Region.

It is imperative that we work to create policies that support and stimulate the development of permanent affordability that encompasses economic diversity. We must work collaboratively to implement innovative policies to secure money from government sources and private developers to make affordable

[1] DiNapoli, Thomas P. Housing Affordability in New York State. Albany: Office of Budget and Policy Analysis, 2014. Print.

Housing For All

housing a significant part of building development everywhere in the Capital Region. This will not be easy, but it is being done in numerous cities throughout the county.

To enhance the quality of life for all residents in the Capital Region we must alleviate endemic urban poverty by creating communities that are accessible to a range of residents: the poor, working class and the middle class.

This statement was crafted by a coalition which includes housing providers, community organizers and residents who seek housing for all throughout the Capital Region:

Susan	Cotner	Affordable Housing Partnership
Orin	Harcourt	Affordable Housing Partnership
Louise	McNeilly	Affordable Housing Partnership
Viola	Lipscomb	Albany County Department of Social Services
Darren	Scott	Albany Housing Authority
Arlene	Way	Arbor Hill Development Corporation
Willie	White	AVillage
John	O'Grady	Council of Albany Neighborhood Associations
Anita	Thayer	Citizen Action
Mark	Emanatian	Citizen Action
Leah	Golby	Common Council Member
Harrison	Watkins	communityLAB
Jack	Kelly	Empire Justice Center
Maria	Grillo	Homeless and Travelers Aid Society
Susan	Holland	Historic Albany
Wendy	Wahlberg	Legal Aid Society
John	Paduano	Rehabilitation Support Services
Ty	Riddick	Resident
Kevin	Casutto	Resident
Susan	DuBois	Resident
Tom	McPheeters	Resident
Michael	Richards	Resident
Patricia	Paige	Resident
Dominick	Calsolaro	Resident
Sergio	Adams	Resident
Willard	Williams	Resident
Barry	Jeffress	Resident
William	Welcome	Resident
Ruth	Senchyna	Resident
Helen	Klaeysen	Resident
Mark	Schaeffer	Resident
Sarah	Houde	Resident
Rita	March	Resident
Miriam	Axel-Lute	Shelterforce
Margaret	Gibson	Sheridan Hollow Resident
Laura	Travision	Social Justice Center
Monique	Wahba	South End Improvement Corporation
Hilary	Lamishaw	Troy Rehabilitation & Improvement Program
Tracey	Casseus	United Tenants of Albany
Roger	Markovics	United Tenants of Albany
Erin	Reale	United Tenants of Albany
Cynthia	Temple	United Tenants of Albany
Sandy	LeVan	United Tenants of Albany
Maria	Markovics	United Tenants of Albany
Janet	Simmons	United Tenants of Albany
Stephen	Winters	United Tenants of Albany
Jasmine	Eldridge-Fleischer	United Tenants of Albany
Jeff	Mayo	United Tenants of Albany
Eileen	Cregg	United Tenants of Albany
Malcolm	McPherson	United Tenants of Albany
Rhonda	Crooke	United Tenants of Albany
Dan	Plaat	Upper Hudson Green Party

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO:	The Directors
FROM:	Howard A. Zemsky
SUBJECT:	Regional Council Award – Alexandria (North Country Region – Jefferson County) – Alexandria Water System Capital – Regional Council Capital Fund (Capital Grant)
REQUEST FOR:	Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

---

General Project Plan

I. Project Summary

Grantee:	Town of Alexandria ("the Town" or "Alexandria")
ESD* Investment:	A grant of up to $500,000 to be used for a portion of the cost of construction
	* The New York State Urban Development Corporation doing business as Empire State Development "ESD" or the "Corporation")
Project Location:	Route 12, Town of Alexandria, Jefferson County
Proposed Project:	Water system improvements
Project Type:	Plan, design, construct a municipal water system
Regional Council:	The project is consistent with the North Country Regional Economic Development Council Plan ("NCREDC"). The project will support new and existing business development by upgrading infrastructure in North Country communities.

II. Project Cost and Financing Sources

Financing Uses	Amount
Construction	$2,158,700
Engineering	480,500
Administration	160,800
Total Project Costs	$2,800,000

Financing Sources	Amount	Percent
ESD-Grant	$500,000	18%
USDA Grant	2,020,000	72%
Town Equity	280,000	10%
Total Project Financing	$2,800,000	100%

III. Project Description

A. Company

Industry: Local government

Company History: Established 1821, Alexandria has approximately 4,000 residents and is located in Jefferson County. The Town is in the St. Lawrence River-1000 Islands region of Upstate NY.

Ownership: Municipality

ESD Involvement: The Town needed to improve its water system which was inadequate for the needs of the growing community. The NCREDC established a specific infrastructure fund to assist North Country communities with municipal infrastructure projects. The Town applied for funding assistance through the Consolidated Funding Application ("CFA") process and was awarded $500,000 from the Round 2 of the CFA. Without ESD assistance this infrastructure project would not be possible.

Past ESD support: Since 1994, Alexandria has received ESD funding for one project totaling $20,000. The project is complete and funds were fully disbursed.

B. The Project

Completion: November 2015

Activity: The Town planned, designed and improved its water system. The project included a pump station, and installation of 16,000 feet of pipeline for

the distribution system.

Results: The project provides for enhanced quality of life for the community with an improved water system for health and safety and provides for future growth opportunities.

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

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

- Fiscal benefits to NYS government from the project are estimated at $183,013;
- Fiscal cost to NYS government is estimated at $500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.37:1;
- Fiscal benefits to all governments (state and local) are estimated at $308,752;
- Fiscal cost to all governments is $500,000;
- The fiscal benefit to cost ratio for all governments is 0.62:1;
- Economic benefits (total fiscal plus total net resident disposable income from project employment) are estimated at $1,553,976;
- The economic benefit to cost ratio is 3.11:1;
- Project construction cost is $2,800,000 which is expected to generate 31 direct job years and 12 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Dale Hunneyman, Supervisor
46372 Old Goose Bay Road
Alexandria Bay New York 13607

Phone: (315) 482-9519

ESD Project No.: Y181

Project Team:	Origination	William Ferguson
	Project Management	John Vandeloo
	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 $500,000 capital grant ($5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will be 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 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 Company 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 $500,000 will be disbursed to Grantee upon documentation of project costs totaling $2,900,000, and completion of the project substantially as described in these materials, as evidenced by a certificate completion, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 24, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015, 2015-2016 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The Town Board of the Town of Alexandria, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on August 18, 2011. 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 & Contractor and Supplier Diversity policy will apply to the project. The Town 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 23% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

VII. Smart Growth Public Infrastructure Review

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

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

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

January 21, 2016

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

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

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

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

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

* * *

January 21, 2016

Regional Council Award – Alexandria (North Country Region – Jefferson County) – Alexandria Water System Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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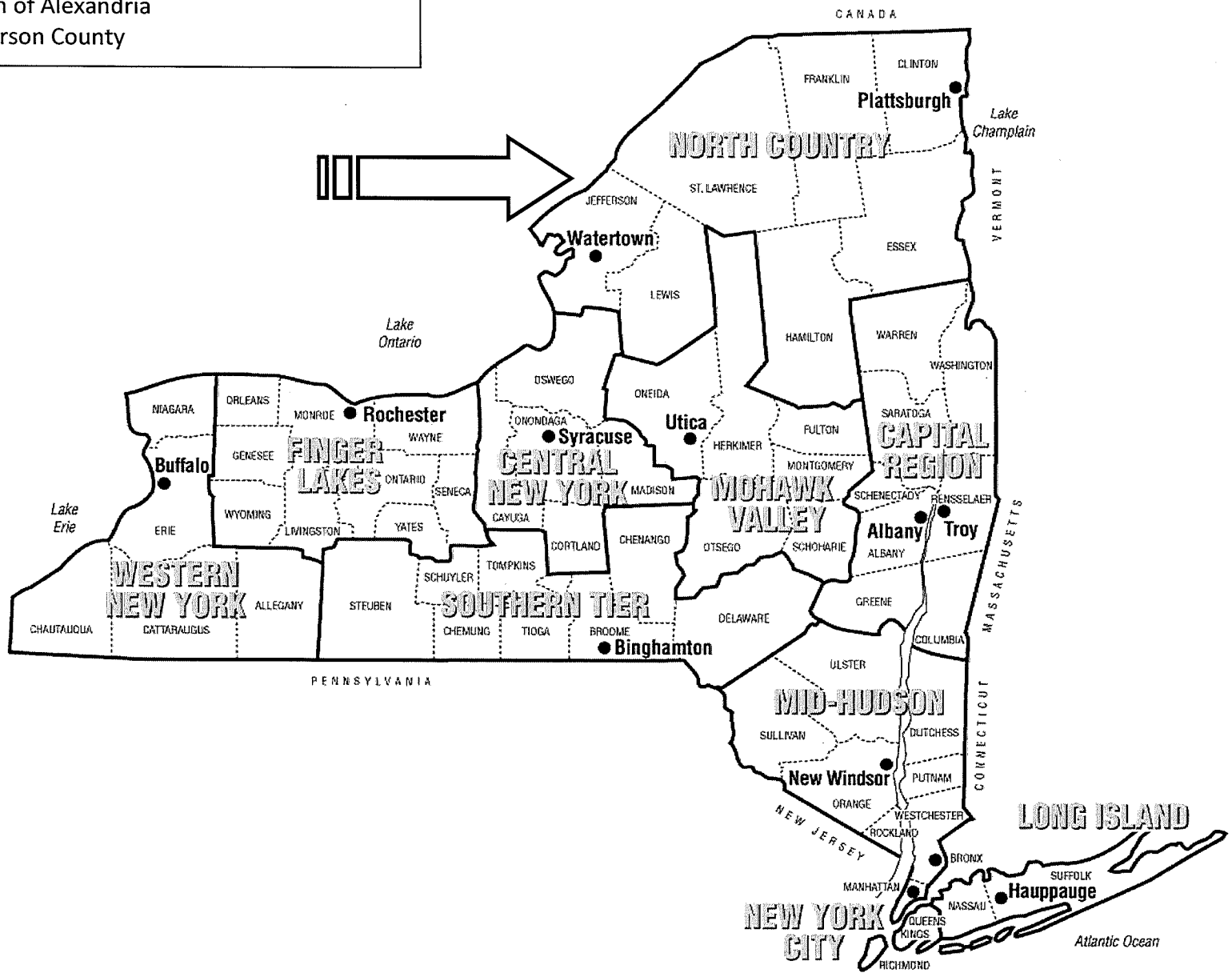
RESOLVED, that based on the material submitted to the Directors with respect to the Alexandria Water System Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Alexandria water system
Town of Alexandria
Jefferson County



Project Summary
Benefit-Cost Evaluation[1]

Infrastructure Investment Project
Town of Alexandria

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 31
Construction Job Years (Indirect): 12

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 Costs[3]	$500,000	$794,250	$500,000	$1,020,500
Fiscal Benefits(Taxes)[4]	$183.013	$2,085,600	$308,752	$4,271,980
Fiscal B/C Ratio	037	3.00	0.62	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$1,553,976	$119,468,000
Economic B/C Ratio	3.11	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.

[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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

[5] Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

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FOR CONSIDERATION
January 21, 2016

TO:	The Directors
FROM:	Howard A. Zemsky
SUBJECT:	Regional Council Award – St. Armand (North Country Region – Essex County) – St. Armand Wastewater System Capital – 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

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General Project Plan

I. Project Summary

Grantee:	Town of St. Armand ("St. Armand" or the "Town")
ESD* Investment:	A grant of up to $422,000 to be used for a portion of the cost of construction
	* The New York State Urban Development Corporation doing business as Empire State Development "ESD" or the "Corporation")
Project Location:	112 River Road, Bloomingdale, Essex County
Proposed Project:	Expansion of the Town's wastewater treatment facility
Project Type:	Municipal infrastructure improvements
Regional Council:	The project is consistent with the North Country Regional Economic Development Council Plan ("NCREDC"). The project will support new and existing business development by upgrading infrastructure in North Country communities.

II. Project Cost and Financing Sources

Financing Uses	Amount
Land acquisition	$9,000
Construction	4,025,715
Engineering	530,114
Total Project Costs	$4,564,829

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD Grant	422,000	9%	
NYS EFC* Loan	1,688,829	37%	0%/30 years/1st lien on RE
NYS EFC* Grant	2,000,000	44%	
Town Equity	456,000	10%	
Total Project Financing	$4,564,829	100%	

*New York State Environmental Facilities Corporation

III. Project Description

A. Company

Industry: Local Government

Town History: Established in 1844, St Armand has approximately 1,500 residents and is located in Essex County in the Saranac-Lake Placid area. The Town is entirely located within the Adirondack Park.

Ownership: Municipality

ESD Involvement: The Town needed to improve its wastewater system which was inadequate for the needs of the growing community. The NCREDC established a specific infrastructure fund to assist North Country communities with municipal infrastructure projects. The Town applied for funding assistance through the Consolidated Funding Application ("CFA") process and was awarded $422,000 from Round 2 of the CFA. Without ESD assistance this infrastructure project would not be possible.

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

B. The Project

Completion: November 2015

Activity: The Town planned, designed and constructed improvements to its wastewater treatment system including pump station, treatment plant, and emergency generator.

Results: The wastewater system improvements increased the system capacity which allows for Town growth and additional users. The improved system provides for quality of life and health and safety for residents and seasonal visitors.

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

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

- Fiscal benefits to NYS government from the project are estimated at $287,299;
- Fiscal cost to NYS government is estimated at $422,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.68.1;
- Fiscal benefit to all governments (state and local) governments are estimated at $503,358;
- The fiscal cost to for all governments is $422,000
- The ratio of project fiscal benefit to cost ratio to all governments
- is 1.19:1;
- Economic benefits (total fiscal plus total net resident disposable income from project employment) are estimated at $3,561,251, or $116,205 per job (direct and indirect);
- The economic benefit to cost ratio is 8.44:1;
- Project construction cost is $4,399,878 which is expected to generate 49 direct job years and 25 indirect job years of employment;
- The payback period for NYS costs is not calculated

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

definitions.

Grantee Contact:	Charles Whitson Jr., Town Supervisor Box 338 Bloomingdale, NY 12913 Phone: (518) 891-3189	
ESD Project No.:	Y620	
Project Team:	Origination	John Vandeloo
	Project Management	John Vandeloo
	Contractor & Supplier Diversity	Denise Ross
	Finance	Angela Pitto
	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 $422,000 capital grant ($4,222) 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's 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 $422,000 will be disbursed to the Grantee in a lump sum upon documentation of project costs totaling $4,457,538 and completion of the project substantially as described in these materials, as evidenced by certificate of completion, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after August 20, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $422,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015, and 2015-2016 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Town shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 13% and a Women Business Enterprise ("WBE") Participation Goal of 10% related to the total value of ESD's funding.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

January 21, 2016

Regional Council Award – St. Armand (North Country Region – Essex County) – St. Armand Wastewater System 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 Town of St. Armand Wastewater System 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 Town of St. Armand a grant for a total amount not to exceed Four Hundred Twenty Two Thousand Dollars ($422,000) 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

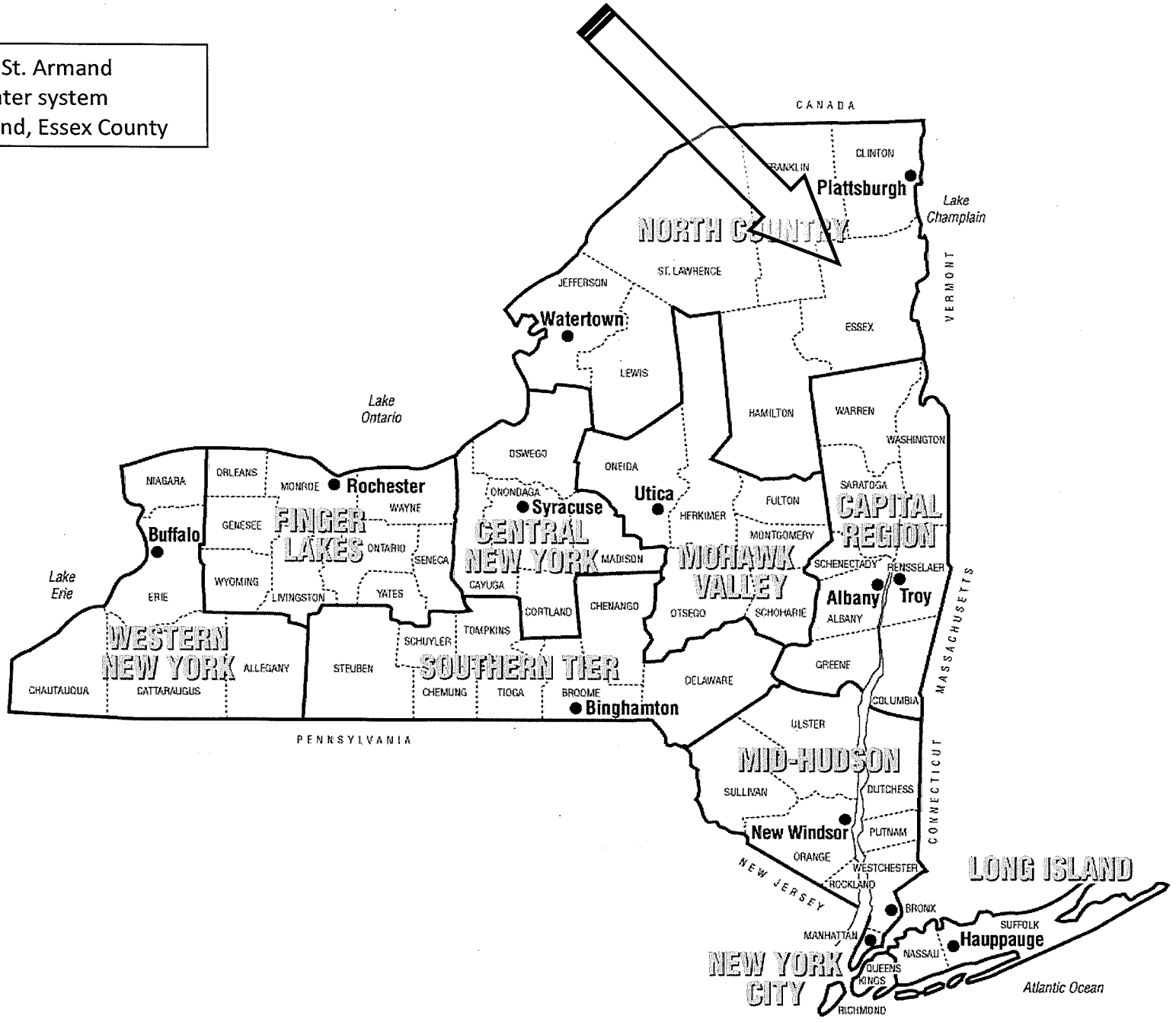
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

* * *

Town of St. Armand
wastewater system
St. Armand, Essex County



Project Summary
Benefit-Cost Evaluation[1]

Infrastructure Investment Project
Town of St. Armand

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 49
Construction Job Years (Indirect): 25

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 Costs[3]	$422,000	$794,250	$422,000	$1,020,500
Fiscal Benefits(Taxes)[4]	$287,299	$2,085,600	$503,358	$4,271,980
Fiscal B/C Ratio	0.68	3.00	1.19	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$3,561,251	$119,468,000
Economic B/C Ratio	8.44	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.

[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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

[5] Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

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FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: West Seneca (Western New York Region – Erie County) – Upstate Niagara Cooperative 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: Upstate Niagara Cooperative, Inc. ("Upstate Niagara" or the "Company")

ESD* Investment: A grant of up to $300,000 to be used for a portion of the cost of machinery and equipment

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

Project Location: 3300 North America Drive, West Seneca, Erie County

Proposed Project: Facility expansion and acquisition and installation of new machinery and equipment for a new product line

Project Type: Business investment involving job retention

Regional Council: The Western New York Regional Economic Development Council ("REDC") has been made aware of this item. The Incentive Proposal was accepted in January 2014. The project is consistent with the Regional Plan as it promotes agriculture and retains jobs.

Employment:	Initial employment at time of ESD Incentive Proposal:	176
	Current employment level:	177
	Minimum employment through January 1, 2019:	176*

*New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

Financing Uses	Amount
Construction	$1,500,000
Machinery and Equipment	1,408,000
Total Project Costs	$2,908,000

Financing Sources	Amount	Percent
ESD-Grant	$ 300,000	10%
Company Equity	2,608,000	90%
Total Project Financing	$2,908,000	100%

III. Project Description

A. Company

Industry: Manufacturer of yogurt and dairy products

Company History: Upstate Niagara was originally established in 1965 as Upstate Farms Cooperative, Inc. In 1983, the Company acquired the Bison Foods Company, and in 2006, changed its name to Upstate Niagara. In May 2011, it purchased a yogurt production facility, North Country Dairy Inc. (North Lawrence, NY) now operating as North Country Dairy, LLC and manufactures the Grantee's flagship Upstate Farms® yogurt brand which has a 90-day shelf life.

Today, Upstate Niagara processes 110 million pounds of raw milk annually into high-quality dairy products including cottage cheese, sour cream, dip, yogurt, ice cream mix, and milk-based beverages under the Upstate Farms®, Wendt's®, Bison®, Crave™, and Intense™ brands. It also has the exclusive rights for national food service manufacturing and distribution of the Breakstone's® brand. The Company is the majority owner of O-AT-KA Milk Products, Inc. (Batavia, NY), a manufacturer of high-quality, award-winning butter and dairy products, including canned evaporated milk and nutritional beverages, bottled beverages and spirits, bulk fluids, dry powders, and other specialty items.

Ownership: The Company is a food and beverage cooperative privately-owned by approximately 360 local family-owned dairy farms.

Size: Upstate Niagara employs over 700 employees in New York State including production facilities in Buffalo, Niagara Falls, Rochester, West Seneca, Syracuse, Watertown, North Lawrence, and a membership division in Leroy.

Market: The Company markets its Bison® and Upstate Farms® brands, as well as regional and national private label products to retail, food service, and industrial sectors throughout the United States. Major customers include Wal-Mart Stores, Inc. (Bentonville, AR); Mehadrin Dairy (Brooklyn, NY); Tops Markets (Williamsville, NY); and Wegman's Food Markets, Inc. (Rochester, NY). Major competitors include Friendship Dairies, LLC (Friendship, NY); H.P. Hood/Crowley Foods, LLC (Boston, MA); and Dean Foods (Dallas, TX).

ESD Involvement: Over the last few years, the demand for Greek-style strained yogurt ("Greek Yogurt") has significantly increased. In 2013, Upstate Niagara notified ESD of a need for a capital investment to enter into and be competitive in the Greek Yogurt market. Existing processing equipment did not have the capability to chill Greek Yogurt quickly enough to produce a high-quality product, nor did it have the ability to efficiently move the yogurt through the plant. Upstate Niagara lacked sufficient financial resources to finance the project. In January 2014, Upstate Niagara accepted ESD's offer of a $300,000 grant resulting in the Company's decision to invest in a building expansion and the acquisition and installation of new machinery and equipment at its West Seneca facility. Without ESD assistance, the project would likely not have taken place, leaving 176 jobs at risk as the Company may not remain competitive.

Competition: N/A

Past ESD Support: Since 2008, ESD Directors have approved the following grants to Upstate Niagara:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Empire State Economic Development Fund	V335	$350,000	June 26, 2008	May 13, 2009	Machinery and Equipment (West Seneca)
	W589	$125,000	June 30, 2011	June 23, 2013	Facility Expansions (Rochester)

B. The Project

Completion:	December 2014
Activity:	The project involved an 8,600-square-foot facility expansion, the installation of a highly-efficient conveyor system, and installation of refrigeration. The project also included electrical machinery, equipment and related infrastructure including pumps, air handling units, duct work, control wiring, insulation and rigging necessary to increase the size and capacity of the existing chill tunnel to accommodate a new Upstate Farms® Greek Yogurt production line.
Results:	The project will retain 176 jobs, enable Upstate Niagara to enter and be competitive in the Greek Yogurt market, and improve plant efficiency. The Company is currently the provider of Greek Yogurt to New York and Tennessee public school districts.
Grantee Contact:	Mr. John J. Wilhelm, Director of Procurement 25 Anderson Road Buffalo, NY 14225 Phone: (716) 892-3156
ESD Project No.:	Y721

Project Team:	Origination	Ray Witzleben
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $300,000 capital grant ($3,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so

requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

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

5. Up to $300,000 will be disbursed to the Grantee in three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($150,000) will be disbursed upon project completion substantially as described in these materials; documentation of $2.9 million in project costs, including $1.4 million for the acquisition and installation of machinery and equipment; and documentation of the employment of at least 176 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 25% of an amount equal to the grant ($75,000) will be disbursed no sooner than 12 months after the date of the Initial Disbursement and upon documentation of the employment of at least 176 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;
   c) a Third Disbursement of an amount equal to 25% of the grant ($75,000) will be disbursed no sooner than 24 months after the date of the Initial Disbursement and upon documentation of the employment of at least 176 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements.

   Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures reimbursed by ESD's grant must be incurred on or after October 25, 2013, to be considered eligible project costs. All disbursements must be requested by December 1, 2018.

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	176

A	B
Reporting Date	Employment Goals
February 1, 2017	176
February 1, 2018	176
February 1, 2019	176

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 retain 176 jobs through January 1, 2019 which were at risk of elimination due to regional and global competition.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance, the Company did not have sufficient financial resources to complete the expansion project and enter into the Greek Yogurt market.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
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 typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at $10,024,545;
- Fiscal cost to NYS government is estimated at $300,000;
- Project cost to NYS government per direct job is $2,131;
- Project cost to NYS government per job (direct plus indirect) is estimated at $975;
- Ratio of project fiscal benefits to costs to NYS government is 33.42:1;
- Fiscal benefits to all governments (state and local) are estimated at $17,415,056;
- Fiscal cost to all governments is $300,000;
- All government cost per direct job is $2,131;
- All government cost per total job is $975
- The fiscal benefit to cost ratio for all governments is 58.05:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $133,998,741, or $435,468 per job (direct and indirect);
- The economic benefit to cost ratio is 446.66:1;
- Project construction cost is $1,500,000, which is expected to generate 14 direct job years and 9 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 1.19 indirect jobs re anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

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

V. Environmental Review

ESD staff has determined that, 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.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise Participation Goal of 25% and a Women Business Enterprise Participation Goal of 15% related to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

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

January 21, 2016

West Seneca (Western New York Region – Erie County) – Upstate Niagara Cooperative 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 Upstate Niagara Cooperative 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 Upstate Niagara Cooperative, Inc. 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 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.

* * *

January 21, 2016

West Seneca (Western New York Region – Erie County) – Upstate Niagara Cooperative Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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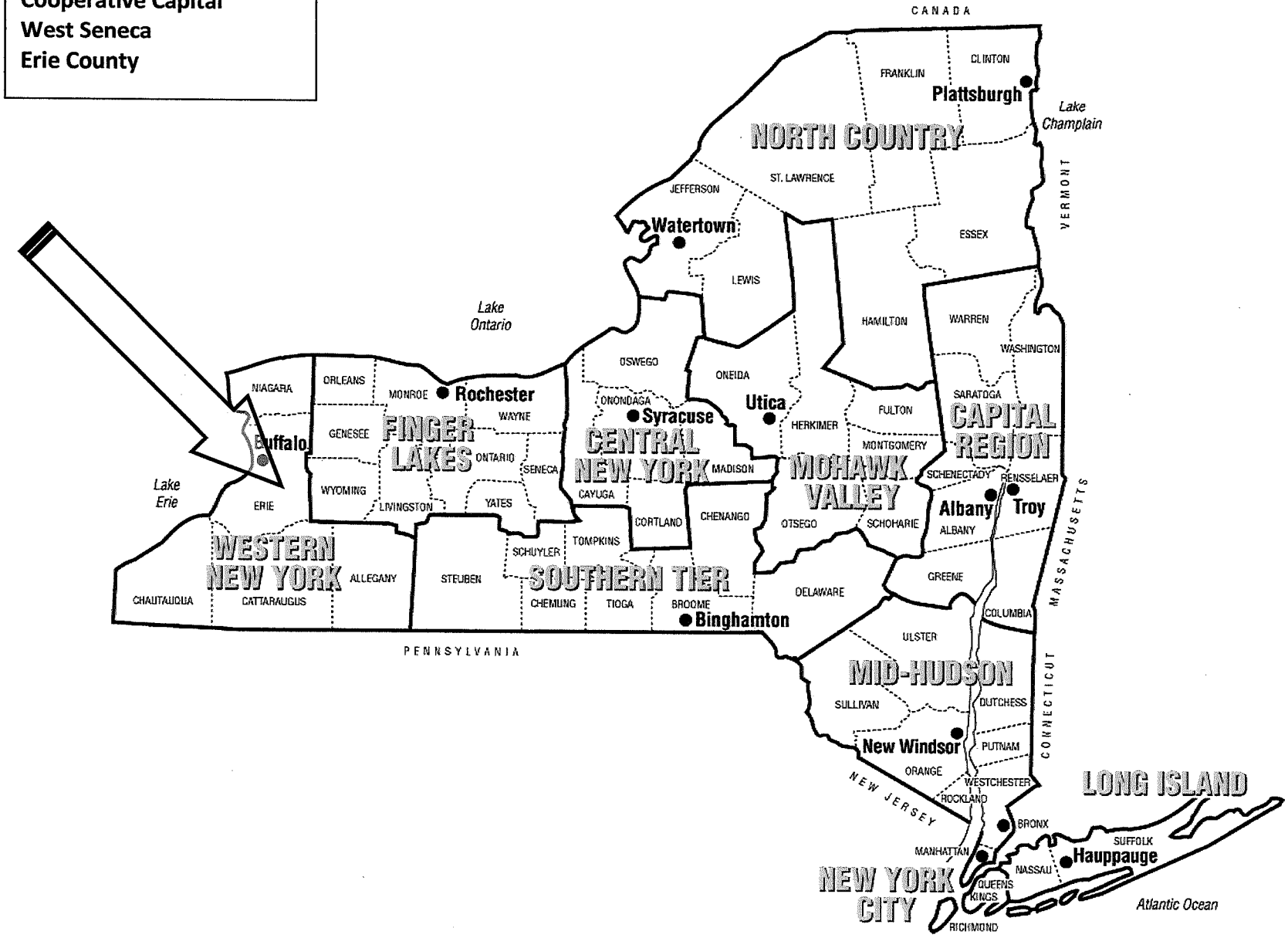
RESOLVED, that based on the materials submitted to the Directors with respect to the Upstate Niagara Cooperative Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant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

* * *

Upstate Niagara
Cooperative Capital
West Seneca
Erie County



Project Summary
Benefit-Cost Evaluation[1]

Upstate Niagara Cooperative, 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: 176 | **Construction Job Years (Direct):** 14
New Jobs: 0 over one year | **Construction Job Years (Indirect):** 9

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks[2]	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs[3]	$300,000	$794,250	$300,000	$1,020,500
Fiscal Benefits (Taxes)[4]	$10,024,545	$2,085,600	$17,415,056	$4,271,980
Fiscal Cost /Direct Job	$2,131	$3,000	$2,131	$4,110
Fiscal Cost/Total Jobs	$975	$1,424	$975	$1,964
Fiscal B/C Ratio	33.42	7.00	58.05	10.60
	Project Results	**Benchmarks**		
Economic Benefits[5]	$133,998,741	$119,468,000		
Econ. Benefits/Total Jobs	$435,468	$147,600		
Economic B/C Ratio	446.66	75.00		

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

[2] The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 75.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 30.00 (Economic).

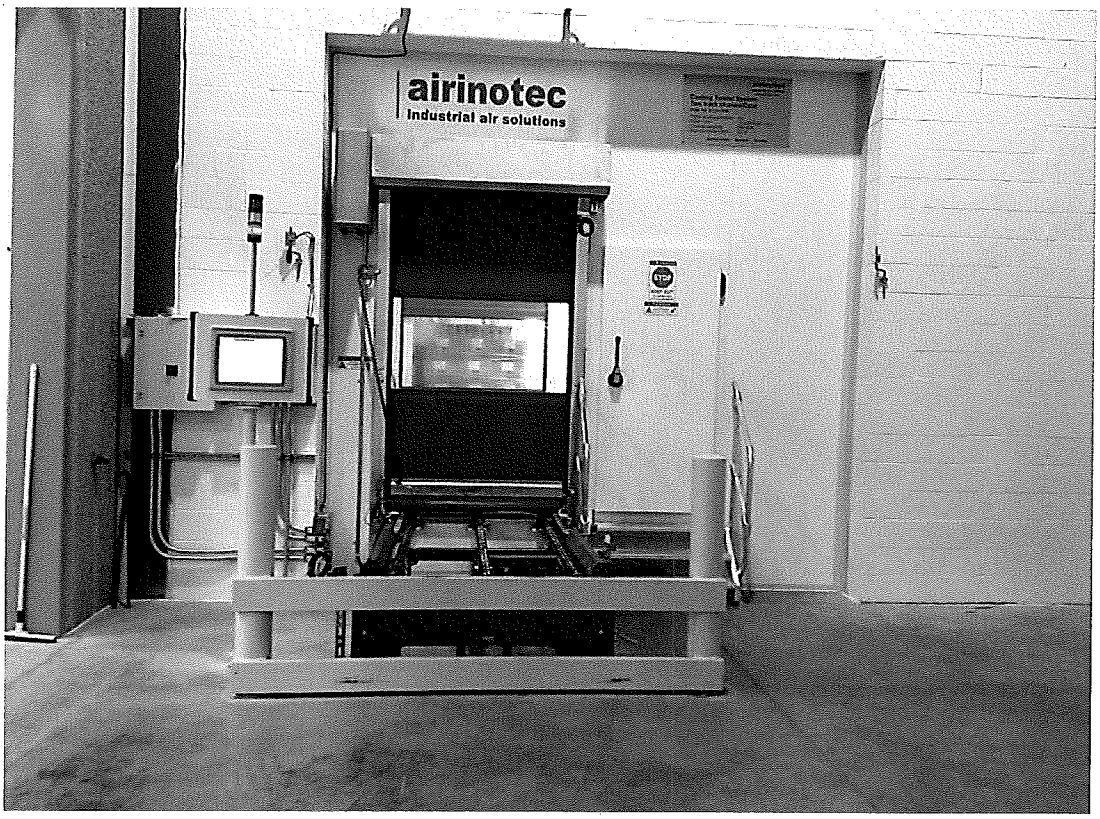
[3] Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

[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.

Upstate Niagara Cooperative Capital, Y721

Upstate Niagara Cooperative Capital, Y721



NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Market NY Grant Program – Regional Tourism Marketing Competition – Empire State Economic Development Fund – General Development Financing (Working Capital and Capital Grants)

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

---

I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
	Empire State Economic Development Fund			
A	Long Island Wine Country Global Trade and Tourism Working Capital	Z742	Long Island Wine Council	$285,000
B	St. George Outlet Development Market NY Capital	AA395	St. George Outlet Development, LLC dba Empire Outlets	$875,000
	TOTAL MARKET NY PROJECTS		**TOTAL**	**$1,160,000**

ESD* Investment:	Up to a total of $285,000 from Market NY Round 4 Regional Tourism grant assistance and $875,0000 from Market NY Round 5 Regional Tourism grant to be used for tourism marketing and or tourism capital 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):	Empire State Economic Development Fund

II. Project Cost and Financing Sources

See Schedule A attached.

III. Project Description

A. Background

Round 4 of the Regional Council Consolidating Funding Application included, up to $12 million for *Market NY* and Round 5 included up to $__ million was awarded for 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 New York will support capital grant funding for tourism facilities in New York. The Market New York program and each funded proposal will work to support the Regional Council's 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 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 $285,000 to fund five (1) Round 4 working capital tourism project, and $875,000 to fund eleven (1) Round 5 capital project. The grantees have identified and prioritized Regional Marketing and Capital Tourism a projects that supports the Regional Economic Development Council's 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. The 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 No's.:	See Table Above	
Project Team:	Project Management	See schedule A attached
	Program Director	Kelly Baquerizo
	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 $1,160,000, 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 – Empire State Economic Development Fund

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

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. The requirements of Section 10(g) of the Act are satisfied.
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 Sections 16-m and 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)

January 21, 2016

Statewide – Market NY Grant Program – Regional Tourism Marketing Competition – Empire State Economic Development Fund – General Development Financing (Working Capital Grants) – 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

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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 Empire State Economic Development Fund – General Development Financing Projects identified below (the "Projects"), 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 Projects 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 Projects would be unlikely to take place in New York State without the requested assistance.

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

4. 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, 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;

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	Empire State Economic Development Fund			

A	Long Island Wine Country Global Trade and Tourism Working Capital	Z742	Long Island Wine Council	$285,000
B	St. George Outlet Development Market NY	AA395	St. George Outlet Development, LLC dba Empire Outlets	$875,000
	TOTAL MARKET NY PROJECTS		**TOTAL**	**$1,160,000**

and be it further

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

* * *

A. Long Island Wine Council Global Trade and Tourism Working Capital (Z742)
January 21, 2016

Grantee: Long Island Wine Council ("LIWC" or the "Organization")

ESD Investment: A grant of up to $285,000 to be used for a regional tourism marketing campaign

Project Location: Suffolk County

Proposed Project: Targeted multi-media advertising campaign in the NYC and international markets, and organized special events targeting hotel concierges and the international wine/food media and trade in NYC

Regional Council: The Long Island Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in September 2015. The project is consistent with the Regional Plan to promote tourism within the Long Island Region and across New York State.

Background:

Organization History – The Long Island Wine Council is an industry association dedicated to achieving recognition for Long Island as a premium wine producing region. Its role is to provide a coordinated effort for the promotion and development of the region's wine industry. The Council was founded in 1989 and currently has 48 full members.

Ownership – The LIWC is a non-profit organization.

ESD Involvement – A $285,000 grant from the Market NY Grant Program

Past ESD Support – Funding for the past five years to the grantee is summarized in the following table:

Program	Project #	Amount	Date Start (ESD Director's Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
Market NY	Z156	$285,000	8/27/14	10/2/15	Working capital Tourism and Marketing Campaign to generate visitor traffic during off-season

The Project:

Completion date – June 2016

Activity – The Organization will use the Market New York funding for a multi-phase marketing project to market Long Island as an international agri-tourism destination,

market Long Island to enhance retail traffic and visits to local wineries, develop tools and programs that keep farmland sustainable and viable, and improve multi-modal transportation access and expand existing bus/multimodal transit options to promote sustainable growth.

Results – The project will reinforce the global reputation of wines in Long Island, and develop new export opportunities. It will also generate increased foreign visitor traffic, provide additional job opportunities, retain existing jobs, and extend seasonal jobs.

Financing Uses	Amount	Financing Sources	Amount	Percent
Advertising, production, web	$80,000	ESD Grant	$285,000	71%
Consultant / Vendor transport	295,000	County / local grants	35,000	9%
Admin fees	25,000	Company equity	80,000	20%
Total Project Costs	$400,000	Total Project Financing	$400,000	100%

Grantee Contact: Steven Bate, Executive Director
PO Box 600
Riverhead, NY 11901
Phone: 631-722-2220

Project Team:

Project Management	Scott Lamkin
Project Originator	Kelly Rabideau-Baquerizo
Contractor & Supplier Diversity	Patrice Goode
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. The Organization will be required to contribute a minimum of 25% of the total project cost in the form of a match that can consist of local, federal, foundational or other organizations' fund. Other State funds (including other funding from ESD), "in-kind" matches/donations and salaries/wages/fringe benefits are not an eligible match for this requirement. The match must be committed and specifically shown in the project budget. Grantee's affirmation of these Directors' materials will be considered by ESD as validation of this committed matching requirement.

3. Up to $285,000 will be disbursed, no more frequently than quarterly, to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. The final disbursement request must document total project expenses of $400,000, as indicated in the Consolidated Funding Application and Incentive Proposal. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements require

compliance with program requirements and must be requested by no later than April 1, 2017.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $285,000 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.

5. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, In the event I LOVE NY/NYS Division of Tourism chooses to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee

Non-Discrimination and Contractor & Supplier Diversity:
ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 20% ($57,000) related to the total value of ESD's funding.

Statutory Basis – Empire State Economic Development Fund

1. <u>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.</u>
   As a result of the project, Grantee will bolster tourism growth by promoting tourism destinations, attractions, and special events.

2. <u>The proposed project would be unlikely to take place in New York State without the requested assistance.</u>
   ESD assistance is needed to fill a financing gap that would make the project otherwise infeasible.

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

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.

Riverhead (Suffolk County) – Long Island Wine Country Global Trade and Tourism Working Capital – Empire State Economic Development Fund (Working 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

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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 Long Island Wine Country Global Trade and Tourism Working Capital – Empire State Economic Development Fund Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

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

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

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

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

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

* * *

B. St. George Outlet Development Market NY (AA395)
January 21, 2016

General Project Plan

Grantee: St. George Outlet Development, LLC dba Empire Outlets ("St. George" or the "Organization")

ESD Investment: A grant of up to $875,000 to be used for regional tourism marketing funding

Project Location: 25 Richmond Terrace, Richmond County

Proposed Project: Construction of multi-purpose retail outlet center which will include a hotel, event space, restaurants and a parking facility.

Regional Council: The New York Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in December of 2015. The project is consistent with the Regional Plan to promote tourism within the New York Region and across New York State.

Background:

Organization History – St. George Outlet Development LLC is a Brooklyn-based, full-service real estate developer owned and operated by three principals: Donald Capoccia, Joseph Ferrara and Brandon Baron. The Organization is an affiliate of BFC Partners, L.P. ("BFC"). Since its inception, BFC has concluded over $1.5 billion in acquisition and development projects throughout New York City. The company name was registered in August of 2012.

Ownership – The Grantee is an affiliate of BFC Partners, L.P. ("BFC").

ESD Involvement – An $875,000 grant from the Market NY Grant Program

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

The Project:

Completion date – October 2017

Activity – The Grantee will construct a mixed-use development in order to allow for the transformation of sorely underutilized land on the North Shore of Staten Island next to the Staten Island Ferry Terminal.

Results – the project will create approximately 1.1 million square-feet of space, which will include approximately 65-75 stores, approximately 8-12 restaurants, an approximate 200-room hotel, event space, 1,250 parking spaces and approximately

1,306 new permanent retail, entertainment and hospitality jobs and 1,267 temporary construction jobs will be created..

Financing Uses	Amount	Financing Sources	Amount	Percent
Soft Costs	$23,632,500	ESD Grant (Y793)*	$3,500,000	2%
Hard Costs	247,659,942	ESD Grant (AA394)*	1,000,000	1%
Furniture Fixtures & Equipment/Tenant Improvements	15,610,530	ESD Grant (AA395)**	875,000	1%
Contingency	17,500,000	ESD Grant (AA399)**	16,500,000	5%
		DASNY	25,000,000	8%
		Queens Borough President	1,500,000	1%
		New York City	25,250,000	8%
		Senior Debt	175,000,000	57%
		Subordinate Debt	12,500,000	4%
		Grantee Equity	43,277,972	13%
Total Project Costs	$304,402,972	Total Project Financing	$304,402,972	100%

* $3,500,000 from Regional Council Capital Fund (RC3) and $1,000,000 Regional Council Capital Fund (RC5)
** $16,500,000 from Transformative Investment Program
*** $875,000 from Market NY (RC5)

Grantee Contact- Donald Capoccia, Principal
150 Myrtle Avenue, Suite 2
Brooklyn, NY 11201
Phone: (718) 422-9960

Project Team-		
	Origination	Kelly Rabideau-Baquerizo
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Denise Ross
	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. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $875,000 capital grant ($8,750) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

3. The Organization will be required to contribute a minimum of 10% of the total project cost in the form of a match that can consist of local, federal, foundational or other organizations' fund. Other State funds (including other funding from ESD), "in-kind" matches/donations and salaries/wages/fringe benefits are not an eligible match for this requirement. The match must be committed and specifically shown in the project budget. Grantee's

affirmation of these Directors' materials will be considered by ESD as validation of this committed matching requirement.

4. Up to $875,000 will be disbursed to Grantee as reimbursement for eligible expenses during the course of design and/or construction no more frequently than quarterly, substantially as described in these materials, including the mandatory project measurements/metrics form and documentation included in the Grant Disbursement Agreement, 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 attainment of a certificate of occupancy and/or other documentation verifying project completion as ESD may reasonably require. 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 10, 2015, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

5. This grant/project will require that a Project Performance Measure report (Grant Disbursement Agreement-Exhibit B) be completed, in addition to a final report, before a final reimbursement will be made.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $875,000 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.

7. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

8. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, In the event I LOVE NY/NYS Division of Tourism chooses to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee

9. Labor Peace: Public Authorities Law Section 2879-b prohibits public authorities from providing financing for any project that includes, as one of the principal functions, a hotel with more than fifteen employees unless a labor peace agreement ("LPA") is entered into with a labor organization representing hotel or convention center employees in the State, for a period of at least five years. An LPA is an agreement between the project developer (or its contractors) and a labor organization prohibiting the labor organization and its members from engaging in labor activities that disrupt the hotel's operations.

   The Borrower entered into a labor peace agreement on January 6, 2015 with respect to the project.

Environmental Review:
ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Environmental Impact Statement ("FEIS") certified as complete on August 29, 2013 by the New York City Department of Small Business Services, as lead agency, for the St. George Waterfront Redevelopment project, which includes the proposed Empire Outlets Capital project (the "proposed action").

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

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

- The Corporation has given consideration to the DEIS and FEIS;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;
- Consistent with social, economic and other essential considerations to the maximum extent practicable, any significant adverse environmental effects revealed in the

environmental impact statement process as a result of the proposed action will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable;

- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act.

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

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

Non-Discrimination and Contractor & Supplier Diversity:
ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 30%. The overall goal shall include a 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.

Statutory Basis – Empire State Economic Development Fund

1. <u>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.</u>
   As a result of the project, Grantee will bolster tourism growth by promoting tourism destinations, attractions, and special events.

2. <u>The proposed project would be unlikely to take place in New York State without the requested assistance.</u>
   ESD assistance is needed to fill a financing gap that would make the project otherwise infeasible.

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

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.

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.

January 21, 2016

Staten Island (Richmond County) – St. George Outlet Development Market NY – Empire State Economic Development Fund (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

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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 St. George Outlet Development Market NY – Empire State Economic Development Fund Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

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

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

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

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

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

* * *

January 21, 2016

Staten Island (New York City Region – Richmond County) – Empire Outlets Capital –Regional Council Capital Fund, Transformative Investment - Adoption of Findings Pursuant to the State Environmental Quality Review Act

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

- The Corporation has given consideration to the Draft and Final Environmental Impact Statement ("DEIS" and "FEIS", respectively) prepared for the proposed the St. George Waterfront Redevelopment project, which includes the Empire Outlets Capital project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act;

and be it further

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

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NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO:	The Directors
FROM:	Howard Zemsky
SUBJECT:	New York State Innovation Venture Capital Fund ("NYSIVCF")
REQUEST FOR:	Authorization of an investment of NYSIVCF funds in SeamlessDocs

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Project Summary

Awardees:	SeamlessDocs (the "Company")
Amount:	Up to $1,750,000 in Preferred Equity
Project Location:	New York, NY
Anticipated Funding Source:	The liquid assets held by ESD for NYSIVCF.
ESD Project No.:	TBD

Project Team:		
	Origination	Brian Keil
	Project Management	Brian Keil
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Tawanda Mitchell
	Environmental	Soo Kang

Background

Pursuant to the Authorizing Legislation, the New York State Innovation Venture Capital Fund may invest up to $100 million in eligible seed and early stage small businesses located in, or that in writing agree to be located in, New York State that (i) have the potential to generate additional economic activity in the State and (ii) are working in emerging technology fields or are achieving, or have the potential to achieve, technological advances, innovation, transformation or development. The target portfolio companies demonstrate a potential for

substantial growth and job development, and have the potential to generate additional economic activity in the State.

NYSIVCF also provides funding for the Technology Commercialization fund of funds supporting the pre-seed investment opportunities throughout the State. The NYSIVCF is part of a larger equity investment strategy that includes the Innovate NY Fund, a $45 million fund of funds that invests in seed stage equity opportunities.

Past State Support for SeamlessDocs

To date, SeamlessDocs has not received any financial support from New York State..

Project Status

SeamlessDocs, a company based in New York City, has developed a software platform that converts paper forms and PDF-based documents into user-friendly, interactive online processes. The Company is initially targeting the government sector.

Many existing government processes use paper forms or PDFs to capture information from citizens and manage internal operations. These largely manual methods are time consuming and prone to error. In addition to the inefficiencies inherent in these manual processes, current methods do not capture information in a manner that can be easily leveraged for decision-making purposes. A substantial opportunity exists to disrupt this market through automation.

SeamlessDocs' drag and drop platform allows users to convert any PDF form into a fillable, smart version that can be completed and eSigned from any device. The platform automatically builds a database of the information collected from users' forms and then provides tools to manage the data and extensions to provide insight and transparency. The benefits of the SeamlessDocs platform are threefold: (i) forms get filled out accurately every time, (ii) form workflows can be automated, and (iii) forms can be made mobile-friendly to increase access for citizens.

SeamlessDocs has developed a repeatable sales model for the government sector that has allowed it to close deals with over 180 government entities in 40 states. The Company has demonstrated its ability to penetrate the government sector with clients in multiple government entities. It estimates the total addressable market for its software platform is over $2.5B.

The Company is poised to grow its revenue base substantially as it expands upon the scale of its initial deployments from $5K in Average Annual Contract Value (AACV) up to $25K in AACV.

The Company may further drive up the size of its annual sale contracts through extending the platform to include payments, standardization of workflows and data analytics.

In order to fund its activities over the next 18-24 months, the Company is raising up to $7M in Preferred Equity at pre-money valuation at $23.5M. The NYSIVCF will invest up to $1.75M into this investment round with the balance being provided by private sector investors.

As part of the due diligence process, NYSIVCF staff and an external Investment Review Committee (IRC) evaluated the Company's business plan and growth prospects as well as the terms of the investment. As a result of that analysis, NYSIVCF and the IRC both agree that the market opportunity and growth potential offered by this New York State Company warrants an investment by the Fund and recommend its approval.

Statutory Basis

In order to attract private sector investment in new research, translate research into marketable products, strengthen university/industry connections, and prepare New York businesses to compete for private-sector venture investment, Laws of New York 2013 Chapter 59 Part JJ (the "Authorizing Legislation") authorized the New York State Urban Development Corporation d/b/a Empire State Development ("ESD" or the "Corporation") to establish and administer the New York State Innovation Venture Capital Fund (the "Fund") in order to provide critical seed-stage and early-stage funding to incentivize new business formation and growth in the State of New York and facilitate the transition from ideas and research to marketable products.

Environmental Review

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

Non- Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, 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. The Office of Contractor and Supplier Diversity has reviewed the project and has determined that there exists no potential for MWBE participation. As such, participation goals will not be established or required.

Additional Submissions to Directors

Schedule A – Summary of Description of SeamlessDocs
Schedule B – Summary of the Investment Terms

January 21, 2016

New York State Innovation Venture Capital Fund - Authorization of an investment of NYSIVCF funds in SeamlessDocs.

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the New York State Innovation Venture Capital Fund (the "Fund"), the Corporation is authorized to make an investment, in an amount not to exceed $1,750,000, in SeamlessDocs (the "Company") and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; 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 investment, and each of them hereby is, authorized to take such actions, including modifying the terms of the investment and entering into additional agreements with the Company and others, as he or she may deem necessary or appropriate in the administration of the Corporation's investments in the Company; and be it further

RESOLVED, that the provision by the Corporation of financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; and be it further

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

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Schedule A
New York State Innovation Venture Capital Fund:
Summary Description of SeamlessDocs
Board of Directors Meeting
January 21, 2016

SeamlessDocs

Headquartered in New York City, SeamlessDocs has developed a software platform that converts paper forms and PDF-based documents into user-friendly, interactive online processes. The Company is initially targeting the government sector and has secured contracts with over 180 government agencies in 40 states.

Many existing government processes use paper forms or PDFs to capture information from citizens and manage internal operations. These largely manual methods are time consuming and prone to error. In addition to the inefficiencies inherent in these manual processes, current methods do not capture information in a manner that can be easily leveraged for decision-making purposes. A substantial opportunity exists to disrupt this market through automation.

SeamlessDocs' drag and drop platform allows users to convert any PDF form into a fillable, smart version that can be completed and eSigned from any device. The platform automatically builds a database of the information collected from users' forms and then provides tools to manage the data and extensions to provide insight and transparency. The benefits of the SeamlessDocs platform are threefold: (i) forms get filled out accurately every time, (ii) form workflows can be automated, and (iii) forms can be made mobile-friendly to increase access for citizens.

Schedule B
New York State Innovation Venture Capital Fund:
SeamlessDocs (the "Company")
Summary of Series B Preferred Financing Terms
Board of Directors Meeting
January 21, 2016

Type of Security:	Series B Convertible Preferred Stock
Investment Amount; Use of Proceeds:	Up to a total of $7M. Funds will be used solely for working capital requirements of the Company.
Principal Terms of the Series B Preferred:	Dividends: The Series B Preferred is senior in priority to the Series A Preferred and Common Stock with respect to the payment of dividends. Liquidation Preference: In the event of a liquidation of the Company, the holders of the Series B Preferred will receive, prior to and in preference over holders of Series A Preferred and Common Stock, an amount per share equal to 1x the original Series B purchase price plus any accrued but unpaid dividends. Conversion: A holder of Series B Preferred will have the right to convert its shares, at any time, into shares of Common Stock.
Protective Provisions:	For so long as 680,000 shares of Series B Preferred remain outstanding, consent of the holders of at least 51% of the Series B Preferred will be required for any action that: (i) alters or changes the rights, preferences or privileges of the Series B Preferred; (ii) increases or decreases the authorized number of shares of Common Stock or Preferred Stock; (iii) creates any new class or series of shares having any rights, preferences or privileges senior to or on a parity with Series B Preferred; (iv) results in the redemption or repurchase of any shares of Common Stock (other than payments pursuant to equity incentive agreements with service providers giving the Company the right to repurchase shares upon the termination of services or the Company's exercise of its right of first refusal over stock transfers); (v) results in a sale of the Company;

	(vi) results in any voluntary dissolution or liquidation of the Company; (vii) increases or decreases the authorized size of the Company's Board of Directors; (viii) results in the payment or declaration of any dividend on any capital stock or the cancellation or modification of any accrued dividends on shares of Common Stock or Preferred Stock; or (ix) results in any amendment of the Certificate of Incorporation or Bylaws of the Company for which stockholder approval is required.
Voting:	Subject to the Protective Provisions above, the Series B Preferred will vote together with the Common Stock and Series A Preferred. Each share of Series B Preferred will have a number of votes equal to the number of shares of Common Stock then issuable upon conversion of the Series B Preferred.
Series B Director:	For so long as 680,000 shares of Series B Preferred remain outstanding, one Board member shall be approved by the Series B lead investor Motorola Solutions, who shall not be an affiliate of Motorola Solutions.

Pro-Forma Cap Table	PreMoney				Post-Money
Equity Class	Number of Shares	Investors	New Money (Amount)	New Money Share Class	New Money Shares
Series B		MSVC	3,000,000	Series B	1,616,968
		Other Investors	4,000,000		2,155,957
Series A	5,964,339				
New Options (Pool Refresh)	821,959				
Options - Allocated	1,035,000				
Options - Pool/Unallocated	1,184,450				
Common Stock	3,660,502				
Total Shares	12,666,250			Total Shares	16,439,175

New Options (Pool Refresh)	5.00%	Total Options Remaining %	12.21%
Pre-Money	$ 23,500,000		
Series-B Share Price	$ 1.8553		
Total New Money	$ 7,000,000		

NEW YORK STATE OF OPPORTUNITY. | Empire State Development

FOR CONSIDERATION
January 21, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Non-Discretionary Projects

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

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Attached is the summary of the projects sponsored by the New York State Executive and Legislative branches:

	Project Name	Proj #	Grantee	Assistance up to
	Executive (Aid to Localities-Base Redevelopment)			
A	Plattsburgh Airbase Redevelopment Corporation	V707	Plattsburgh Airbase Redevelopment Corporation	$1,000,000 (modification – no new assistance)
	Executive (Special Appropriation-Clarkson Trudeau)			
B	Clarkson University Biotech Initiative Capital	AA317	Clarkson University	1,000,000
C	Trudeau Partnership Working Capital	AA328	Trudeau Institute	4,000,000
	Executive (Special Appropriation-New York Power Electronics Manufacturing Consortium)			
D	New York Power Electronics Manufacturing Consortium Capital	AA544	Fuller Road Management Corporation	33,500,000
	TOTAL NON-DISCRETIONARY – 4 PROJECTS		**TOTAL**	**$39,500,000**

I. Statutory Basis

The project was sponsored by the Executive, Assembly or Senate, and was authorized or reappropriated in the 2015-2016 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 30% 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 15%. 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

Resolutions
Project Summary
New York State Map

January 21, 2016

Aid to Localities-Base Redevelopment – Findings and Determinations Pursuant to Section 10 (g) of the Act; Adoption of the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make grant to the party and for the amount listed below from Aid to Localities-Base Redevelopment, 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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the "Plans") for the applicable Projects included in these materials, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, copies of which Plans, together with such changes, shall be maintained with the records of the Corporation; and be it further

RESOLVED, if applicable, that upon further written finding that no substantive negative testimony or comment has 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, staff is authorized to make a grant to the parties and for the amounts listed below from Aid to Localities-Base Redevelopment, for the purposes, and substantially on the terms and conditions, set forth in these materials; 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;

Aid to Localities-Base Redevelopment – Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Aid to Localities-Base Redevelopment			
A	Plattsburgh Airbase Redevelopment Corporation	V707	Plattsburgh Airbase Redevelopment Corporation	$1,000,000
			TOTAL	**$1,000,000** (modification – no new assistance)

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.

* * *

January 21, 2016

Special Appropriation-Clarkson Trudeau – Findings and Determinations Pursuant to Section 10 (g) of the Act; Adoption of the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make grant to the party and for the amount listed below from Special Appropriation-Clarkson Trudeau, 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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the "Plans") for the applicable Projects included in these materials, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, copies of which Plans, together with such changes, shall be maintained with the records of the Corporation; and be it further

RESOLVED, if applicable, that upon further written finding that no substantive negative testimony or comment has 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, staff is authorized to make a grant to the parties and for the amounts listed below from Special Appropriation-Clarkson Trudeau, for the purposes, and substantially on the terms and conditions, set forth in these materials; 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;

Special Appropriation-Clarkson Trudeau – Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Special Appropriation-Clarkson Trudeau			
B	Clarkson University Biotech Initiative Capital	AA317	Clarkson University	$1,000,000
C	Trudeau Partnership Working Capital	AA328	Trudeau Institute	4,000,000
			TOTAL	**$5,000,000**

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.

* * *

January 21, 2016

Special Appropriation-New York Power Electronics Manufacturing Consortium – Findings and Determinations Pursuant to Section 10 (g) of the Act; Adoption of the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make grant to the party and for the amount listed below from Special Appropriation-New York Power Electronics Manufacturing Consortium, 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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the "Plans") for the applicable Projects included in these materials, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, copies of which Plans, together with such changes, shall be maintained with the records of the Corporation; and be it further

RESOLVED, if applicable, that upon further written finding that no substantive negative testimony or comment has 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, staff is authorized to make a grant to the parties and for the amounts listed below from Special Appropriation-New York Power Electronics Manufacturing Consortium, for the purposes, and substantially on the terms and conditions, set forth in these materials; 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;

Special Appropriation-New York Power Electronics Manufacturing Consortium - Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Special Appropriation-New York Power Electronics Manufacturing Consortium			
D	New York Power Electronics Manufacturing Consortium Capital	AA544	Fuller Road Management Corporation	$31,500,000
			TOTAL	**$31,500,000**

and be it further

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

* * *

A. Plattsburgh Airbase Redevelopment Corporation (V707)

January 21, 2016

Authorization to Amend the General Project Plan

Grantee: Plattsburgh Airbase Redevelopment Corporation ("PARC", or the "Organization")

ESD Involvement: $1,000,000 approved on December 20, 2007 (Aid to Localities – Base Redevelopment). As of January 21, 2016, there is a remaining balance of $106,492.

Project Location: Plattsburgh Air Force Base, Plattsburgh, Clinton County

Proposed Amendment: Reallocation of the remaining grant funds to support working capital costs

Project Type: Base redevelopment

Regional Council: The North Country Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Organizational History – Following the 1993 Base Realignment and Closure Commission's decision to close the Plattsburgh Air Force Base (the "Base"), the Plattsburgh Intermunicipal Development Council ("PIDC") was established to oversee the preparation of a comprehensive plan for the reuse of the Base. PIDC's successor, PARC, conducts economic development and administrative operations of the Base.

Ownership – The Grantee is a not-for-profit, 501 (c) 3 organization.

Size – PARC is governed by a board consisting of seven directors and the Organization has three part-time employees.

ESD Involvement – These materials refer to and include, in their entirety, the attached materials presented to and approved by the Directors on December 20, 2007 (the "Materials"). Any substantive changes to the project or terms and conditions are noted in these materials.

Past ESD Support - Since PARC's inception in 1995, ESD's Directors have approved more than $21.3 million in funding, representing Phases I-XII of PARC's redevelopment efforts and capital improvements. PARC's current operations are focused on the marketing, and subsequent sale and/or transfer of the remaining property.

ESD funding has assisted PARC in reaching the following milestones:

- Renovations and improvements to fifty-nine existing buildings, totaling in excess of 1.5 million square feet. Renovation work varies from project to project, but typically includes elements such as installation of independent heating systems; roof replacement or repair, interior and exterior renovations to comply with the accessibility requirements of the Americans with Disabilities Act; asbestos abatement, utility infrastructure installation and/or upgrades; interior demolition and redesign; interior and exterior painting; paving, and fencing;

- Site development and construction of four new buildings – respectively 75,000, 50,000, 10,000, and 80,000 square feet - for commercial/retail and industrial use occupants;

- Construction, renovation and improvements of over 1 million square feet of occupied building space supporting more than 1,852 new jobs among approximately 68 leased or owned businesses in the areas of aviation, industrial, commercial/retail, education, health care, government, recreation, and tourism;

- Demolition of approximately 325 buildings, primarily residential structures formerly used for military housing, to create vacant parcels for on-going development;

- Subdivision of approximately 1,680 acres into 165 parcels of property, plus a 1,700^{+}-acre parcel referred to as the PBC parcel ("Public Benefit Conveyance"), which contains the flightline and surrounding aviation-related buildings that have been transferred to Clinton County for the relocation of the Clinton County airport and related economic development; and

- Transfer of seventy-two acres of streets and utility infrastructure to the city of Plattsburgh, the town of Plattsburgh, New York State Electric and Gas, and Primelink.

The Project:

Completion – December 2016

Activity – Of the 3,500 acre property that was placed under PARC's auspices when the Base closed in 1995, PARC has a remaining property inventory of five vacant land parcels (one percent of the original acreage), each of which are in various stages of sale or transfer. With all rental properties having been sold, PARC no longer has rental income, leaving no cash flow to support the operating costs associated with completion of the sale or transfer of the remaining properties. PARC has requested that remaining grant funds be allocated to support staff salaries, as no further capital expenditures are required.

Results –Reallocation of the remaining grant funds to support working capital costs would provide PARC with the necessary cash flow to support operational costs associated with marketing and completing the sale or transfer of the remaining properties, thus enabling PARC to complete its mission.

The revised budget for remaining grant funds is as follows:

Revised Scope and Budget

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries	$106,492	ESD Grant	$106,492	100%
Total Project Costs	$106,492	Total Project Financing	$106,492	100%

Grantee Contact - Lee Mitchell, Executive Vice President & CFO
130 Arizona Avenue, Suite 2000
Plattsburgh, NY 12903
Phone: (518) 561-0232 x133

Project Team -		
	Project Management	Linda Dillon
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

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 $106,492 in remaining grant funds will be disbursed to Grantee for reimbursement of salary costs totaling $106,492, 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, 2007, the date that the New York State budget, in which the project is authorized, was passed.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $106,492, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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, goals will not be established due to the unavailability of certified MWBEs for the performance of this project.

Statutory Basis – Aid to Localities – Base Redevelopment:
The project was authorized in the 2007-2008 New York State budget and reappropriated in subsequent State budgets, including the 2015-2016 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.

Attachments:
ESD Director's Materials dated December 20, 2007

1. PARC – Phase XII Plattsburgh Airbase Redevelopment (V707)

December 20, 2007

Grantee: Plattsburgh Airbase Redevelopment Corporation ("PARC")
Address: 130 Arizona, Suite 2000
Plattsburgh, New York 12903
Contact: Bruce Steadman, Chief Executive Officer
Phone: 518-561-0232 Fax: 518-561-0686

Project Location: Plattsburgh Air Force Base, Plattsburgh, Clinton County

NYS Empire Zone (or equivalent): Clinton County Empire Zone

ESD Investment: A grant of up to $1,000,000 to be used for a portion of the cost of renovating existing aviation and industrial buildings, lead and asbestos abatement, and redevelopment related soft costs.

Project Team:

Project Management	Ron Stanton
Affirmative Action	Laverne Poole
Design & Construction	Joseph Burkard
Environmental	Soo Kang

Project Completion: December 2008

Project Description:

Background

Following the 1993 Base Realignment and Closure Commission's decision to close the Plattsburgh Air Force Base (the "Base"), the Plattsburgh Intermunicipal Development Council ("PIDC") was established to oversee the preparation of a comprehensive plan for the reuse of the Base. PIDC's successor, PARC, is governed by a board consisting of seven directors and conducts the economic development and administrative operations of the Base. PARC has a staff of fourteen people to manage the on-going development efforts.

The project represents Phase XII of PARC's airbase redevelopment efforts. Since PARC's inception in 1995, ESD's Directors have approved more than $20.4 million in funding, representing Phases I-XI of PARC's redevelopment efforts and capital improvements. PARC's current operations are focused on the marketing, site development and subsequent sale and/or transfer of the remaining property, as well as the administration and management of the leases on property managed by PARC.

ESD funding has assisted PARC in reaching the following milestones:

- Renovations and improvements to fifty-nine existing buildings, totaling in excess of 1.5 million square feet. Renovation work varies from project to project, but typically includes elements such as installation of independent heating systems; roof replacement

or repair, interior and exterior renovations to comply with the accessibility requirements of the Americans with Disabilities Act; asbestos abatement, utility infrastructure installation and/or upgrades; interior demolition and redesign; interior and exterior painting; paving, and fencing;

- Site development and construction of four new buildings – respectively 75,000, 50,000, 10,000, and 80,000 square feet - for commercial/retail and industrial use occupants;

- Construction, renovation and improvements of over 1 million square feet of occupied building space supporting more than 1,852 new jobs among approximately 68 leased or owned businesses in the areas of aviation, industrial, commercial/retail, education, health care, government, recreation, and tourism;

- Demolition of approximately 325 buildings, primarily residential structures formerly used for military housing, to create vacant parcels for on-going development;

- Subdivision of approximately 1,680 acres into 165 parcels of property, plus a $1,700^{+}$-acre parcel referred to as the PBC parcel ("Public Benefit Conveyance"), which contains the flightline and surrounding aviation-related buildings that have been transferred to Clinton County for the relocation of the Clinton County airport and related economic development; and

- Transfer of seventy-two acres of streets and utility infrastructure to the city of Plattsburgh, the town of Plattsburgh, New York State Electric and Gas, and Primelink.

Although PARC's revenues have increased from the sale of properties, lease revenues have dropped significantly due to the sale of certain properties and the assignment of various leases to Clinton County. As such, PARC does not have the cash resources to complete the redevelopment of the Base without ESD's assistance.

The Project

Over the next 12 - 18 months, PARC's mission is expected to be completed, having sold for public and private development and/or transferred for public benefit all of the former Base property, including roads, utilities and telecommunications infrastructure. PARC plans to continue its redevelopment of the remaining sites under its management for sale to prospective tenants and buyers. The redevelopment efforts will include lead and asbestos abatement and redevelopment opportunities. The project also includes renovations and infrastructure improvements to existing properties and structures to create code compliant, saleable properties.

PARC – Phase XII Plattsburgh Airbase Redevelopment (V707)
December 20, 2007

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovations/asbestos abatement and related soft costs	$2,000,000	ESD Grant	$1,000,000	50%
		PARC Equity	1,000,000	50%
Total Project Costs	$2,000,000	Total Project Financing	$2,000,000	100%

Design and Construction:
Design and Construction ("D&C") staff will assist in the selection of consultants, review and approve design drawings, final construction documents, addenda, and associated cost estimates; and will monitor the bid and contract award processes. D&C will, at its option, attend construction meetings and monitor construction progress. D&C will review and approve all change orders, contractor requisitions and verify that all requirements have been satisfied prior to the approval and release of ESD funds.

The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

Environmental Review:
The requested authorization involves redevelopment activities at the Plattsburgh Air Force Base that constitute a Type II action as defined in the New York State Environmental Quality Review Act ("SEQRA"), and therefore no environmental review is required in connection with the authorization. The overall disposal and reuse of the Plattsburgh Air Force Base have been subject to environmental review pursuant to federal regulations.

Statutory Basis – Aid to Localities – Base Redevelopment:
The project is authorized in the 2007-2008 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 ESDC 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. Clarkson University Biotech Initiative Capital (AA317)
January 21, 2016

General Project Plan

Grantee: Clarkson University ("Clarkson" or the "University")

ESD Investment: A grant of up to $1,000,000 to be used for a portion of the cost of building improvements and scientific equipment purchase

Project Location: 321 Science Center, Clarkson Campus, Potsdam, St. Lawrence County

Proposed Project: Building improvements and scientific equipment purchase for the Science Center and Center for Advanced Materials Processing to support collaboration with Trudeau Institute

Project Type: Scientific Research

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

Background:

Industry – Higher Education Institution

Organizational History – Founded in 1896, Clarkson University is one of the smallest nationally ranked education and research institution associated with engineering and with a broad capability to support biotechnology research. The University-an independent, co-educational institution situated in a 640-acre campus-offers three major programs: the Wallace K. Coulter School of Engineering (where about half of the students are enrolled), the School of Business, and the School of Arts and Sciences.

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

Size – Clarkson University is located in a 640-wooded acre area adjacent to the Adirondack Park in the North Country Region. The University employs over 700 people and account for a 3,500 undergraduate and graduate student's enrollment.

ESD Involvement – Clarkson requested ESD assistance as part of the "Trudeau-Clarkson Biotech Initiative," a program to expand biotechnical and biomedical research in cooperation with the Trudeau Institute ("Trudeau") and the State of New York. In November 2013, a $35 million multi-year Memorandum of Understanding was signed between the State of New York, Trudeau Institute and Clarkson University to support this initiative. Without assistance from ESD, the Trudeau-Clarkson Biotech Initiative and the expansion of valuable related research programs would not be possible.

Clarkson University Biotech Initiative Capital (AA317)
January 21, 2016

Past ESD Support - In the past 5 years, Clarkson has received ESD funds totaling $3,800,000 under the State's Memorandum of Understanding as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Special Appropriation Clarkson-Trudeau Partnership	Y733	$3,800,000	August 21, 2014	December 31, 2020	Upgrade laboratory facilities and equipment purchase

The Project:

Completion – December 2016

Activity – The project consists of the renovation of labs to the Clarkson Science Center and the Center for Advanced Materials Processing building. This will include replacement of long-outdated mechanical, electrical and plumbing systems, installation of improved air handling and crucial life safety features, such as fume hoods, and improved computer assisted learning technologies. In addition, new state-of-the-art laboratory instrumentation and laboratory equipment will be purchased and installed to conduct leading-edge engineering research that will complement and create commercialization potential for Trudeau's bio-medical research.

Results – The newly renovated and equipped, high-tech spaces will help Clarkson to recruit new faculty as well as additional high-quality graduate and undergraduate students. As a result of this project, Clarkson's faculty and students will collaborate with Trudeau's scientists and open new opportunities for commercialization of innovative ideas and products and attract start-up technology companies to the region.

Financing Uses	Amount	Financing Sources	Amount	Percent
Building Improvements	$800,000	ESD Grant	$1,000,000	90%
Scientific Equipment	200,000	Grantee Equity	111,000	10%
Program Costs	111,000			
Total Project Costs	$1,111,000	Total Project Financing	$1,111,000	100%

Clarkson University Biotech Initiative Capital (AA317)
January 21, 2016

Grantee Contact - James Fish, Chief Financial Officer
8 Clarkson Avenue
Potsdam, New York 13699
Phone: (315) 268-6689

Project Team -		
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Denise Ross
	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 demonstrate no materially adverse changes in its financial condition prior to closing.

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 $1,000,000 will be disbursed to Grantee as reimbursement for eligible project costs no more frequently than quarterly, assuming that all project approvals have been completed and funds are available. The final disbursement, which shall be at least 10% of the grant, shall be made to the Grantee upon completion of the project. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred after April 1, 2015, the date that the New York State budget, in which the project is authorized, was passed, to be considered eligible project costs.

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

Statutory Basis – Special Appropriation Clarkson/Trudeau:
The project was authorized in the 2015-2016 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. Trudeau Partnership Working Capital (AA328)
January 21, 2016

Grantee: Trudeau Institute ("Trudeau" or the "Institute")

ESD Investment: A grant of up to $4,000,000 to be used for a portion of the costs of ongoing programs, operations, and staffing at Trudeau Institute's biomedical research laboratories and to continue a joint Trudeau Institute-Clarkson University multi-year plan for future operations.

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

Proposed Project: Trudeau Institute, in partnership with Clarkson University, will continue the multi-year plan for future operations towards the development of novel biomedical sciences and technology envisoned by the creation of the Center for Immunoengineering and Infectious Disease (CIID").

Project Type: Working Capital

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

Background:

Industry - Biomedical research

Grantee History - Trudeau Institute, formed in 1884 by Dr. Edward L. Trudeau and located in Saranac Lake, New York, is a world-renowned center for immunological research with a mission to make breakthrough discoveries regarding infection and immunity, including immune responses to major infectious disease and the role of the immune system in cancer, autoimmunity and aging. The Institute is among the five most influential research institutes in the U.S.

Ownership - Trudeau is a not-for-profit organization.

Size - Trudeau Institute is located on a 42-acre campus in Saranac Lake, NY.

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

ESD Involvement - Trudeau requested ESD assistance as part of a plan to continue operations and create a joint Trudeau Institute-Clarkson University, multi-year plan to coordinate biomedical research and expand technology-based economic development through this initiative (the "Partnership"). In November 2013, a $35 million Memorandum of Understanding was signed between the State of New York and Trudeau Institute and Clarkson University to support this initiative. Without assistance from ESD, the retention and future expansion of Trudeau would not be possible.

Past ESD Support - In the past 5 years, Trudeau has received ESD funds totaling $14,800,000 under the State's Memorandum of Understanding as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Empire State Economic Development Fund	Y731	$5,000,000	December 2012	August 2015	Working Capital – operations and staffing of a biomedical research laboratory
Economic Development Purposes Fund	Z413	$3,600,000	August 2014	December 2014	Working Capital – operations and staffing of a biomedical research laboratory
Sp Appr Clarkson Trudeau	Z568	$6,200,000	December 2014	December 2016	Working Capital – operations and staffing of a biomedical research laboratory

The Project:

Completion – December 2016

Activity - This initiative is part of a five year $35 million Empire State Development investment for the Trudeau Institute-Clarkson University Partnership. The partnership is designed to provide financial and operational stability to Trudeau by integrating its activities with Clarkson University ("Clarkson") to leverage Trudeau's expertise in

expanding Clarkson's educational curriculum and research program into the biomedical area. Building on this momentum; the Partnership proposes a new Center for Immunoengineering and Infectious Diseases, combining Trudeau's expertise in immunologic and infectious disease research with Clarkson's strength in applied research and innovation to advance both discovery-based and translational research.

Results - In conjunction with Clarkson, the Institute will move closer to its broader vision of developing a biotechnology cluster in New York State's North Country. This Initiative will save and create high paying jobs and will provide a solid foundation for further economic growth in the North Country Region.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries & Fringe Benefits	$2,200,000	ESD Grant	$4,000,000	100%
Operating Expenses	1,800,000			
Total Project Costs	$4,000,000	Total Project Financing	$4,000,000	100%

Grantee Contact - William Chapin, Controller
154 Algonquin Avenue
Saranac Lake, NY 12983
Phone: (518) 891-3080

Project Team -

Project Management	Javier Roman-Morales
Contractor & Supplier Diversity	Denise Ross
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 $4,000,000 will be disbursed to Grantee, upon documentation of costs of ongoing programs, operations, and staffing at Trudeau Institute's biomedical research laboratories, 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, 2015, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $4,000,000, 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.

Non-Discrimination and Contractor & Supplier Diversity:
ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. Trudeau, a non-profit organization, shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 20% of the total value of ESD's funding for eligible expenses, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

Statutory Basis – Special Appropriation Clarkson Trudeau:
The project was authorized in the 2015-2016 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.

D. New York Power Electronics Manufacturing Consortium Capital (AA544)
January 21, 2016

General Project Plan

Grantee:	Fuller Road Management Corporation ("FRMC")
Beneficiary Organization:	New York Power Electronics Manufacturing Consortium ("NY-PEMC")
ESD Investment:	A grant of up to $33,500,000 to be used for a portion of the cost of construction, renovations and the purchase of machinery and equipment
Project Location:	257 Fuller Road, Albany, Albany County
Proposed Project:	Facility and infrastructure build-out, purchase and installation of process flow equipment and materials at SUNY Polytechnic's Nanotech complex in Albany to develop the next generation of semi-conductor materials
Project Type:	Industry consortium to support new chip wafer materials
Regional Council:	The Capital Region Economic Development Council has been made aware of this item.

Background:

Industry – Semi-conductors

Grantee History - Fuller Road Management Corporation was established in 1993 as a private, not-for-profit real estate holding corporation by the Research Foundation of SUNY and the UAlbany Foundation, Inc. FRMC was formed to plan, design, develop, construct, own, and lease facilities necessary to create the environment wherein CNSE can develop and deploy basic and applied nanotechnology innovations and translate them into commercially viable applications.

New York Power Electronics Manufacturing Consortium, a public private partnership of over 100 private companies, was created in 2014 to develop the next generation of materials for semi-conductors. Silicon, the material used since the chip was invented, is nearing the end of its useful life. A new material is needed to power tomorrow's devices. The new material has been identified as silicon carbide. General Electric is NY-PEMC's lead partner

New York Power Electronics Manufacturing Consortium Capital (AA544)
January 21, 2016

ESD Involvement – A $33,500,000 appropriation was included in the FY 2015-2016 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
Urban and Community Development Program	X228	$96,700	03/23/11	06/15/13	Working Capital – Developed character-based, University-sponsored micro lending program.
Urban and Community Development Program	X877	$99,924	07/18/12	08/22/14	Working Capital - Lent and supported entrepreneurs to start and sustain businesses.
Capital Projects Fund	U447	$75,000,000	12/18/06	09/19/13	Capital – Supported expenses related to the Institute for Nanoelectronics Discovery and Exploration ("INDEX") facility.
Local Assistance	V174	$1,415,000	02/15/07	02/14/11	Working Capital - Support commercialization projects in nanomedicine and clean energy technology.

New York Power Electronics Manufacturing Consortium Capital (AA544)
January 21, 2016

Local Assistance	W875	$1,179,166	10/21/10	10/31/13	Working Capital - Expansion of Nanofabrication Clean Energy Technologies and Nanomedicine.
Local Assistance	W877	$1,155,666	10/21/10	01/09/14	Working Capital - Expansion of Nanofabrication Clean Energy Technologies and Nanomedicine.
Local Assistance	W883	$815,666	10/21/10	01/09/14	Working Capital - Expansion of Nanofabrication Clean Energy Technologies and Nanomedicine.
Local Assistance	W885	$940,000	04/26/11	01/15/15	Working Capital – Support costs associated with SUNY INDEX.
Local Assistance	W886	$980,000	04/26/11	01/15/15	Working Capital – Support costs associated with SUNY INDEX.
Local Assistance	W887	$970,000	03/19/2015	12/31/2017	Working Capital – Support costs associated with SUNY INDEX.

New York Power Electronics Manufacturing Consortium Capital (AA544)
January 21, 2016

Local Assistance	X219	$970,000	03/19/2015	12/31/2017	Working Capital – Support costs associated with SUNY INDEX.
Local Assistance	X562	$980,000	03/19/2015	12/31/2017	Working Capital – Support costs associated with SUNY INDEX.

The Project:

Completion – June 2020

Activity – NY-PEMC is a public-private partnership that will help develop the next generation of materials used on semiconductors. A new state-of-the-art silicon carbide manufacturing line will be established at SUNY Polytechnic Institute's ("SUNY Poly") Nanotech Megaplex in Albany. SUNY Poly is the first college in the world dedicated to education, research, development and deployment ("RD&D") in the emerging disciplines of nanoscience, nanoengineering, nanobioscience and nanoeconomics.

The next generation of semiconductors, managed through SUNY Poly, will enable power devices to get smaller, faster and more efficient as the current material, silicon, has reached its entitlement. SUNY Poly will provide services in support of the planning, design, acquisition, construction, renovation, and equipping of the facilities for the establishment of an advanced technology silicon carbide line ("SiC Line") at SUNY Poly, including the purchase, ownership and installation of equipment for such facilities.

Results – The site will act as a global "open-innovation" user-shared facility, which will enable the expansion and growth of major corporate partners, as well as small and medium-sized enterprises ("SMEs") with a particular emphasis on MWBE firms and enterprises. General Electric ("GE"), an American multinational conglomerate corporation incorporated in New York and headquartered in Fairfield, Connecticut, will be a lead partner in the fab, which will develop and produce low cost, high performance 6" silicon carbide ("SiC") wafers. These SiC-based power electronic devices have significant advantages over silicon ("Si"), including the capacity to handle much higher frequencies, and temperatures, which decreases the size and cost for companion filtering and cooling systems. Additionally, the devices can be half the size of similar Si

devices, providing increased power density and reliability. In its current form, SiC technology can be cost prohibitive to smaller to medium size companies. All NY-PEMC partner companies will have access to state-of-the-art 6" SiC tools and a baseline process flow, contributed by GE, where they can make their own enhancements. The project is expected to result in the creation of 500 jobs statewide.

Financing Uses	Amount	Financing Sources	Amount	Percent
Equipment/Process Flow	$16,500,000	ESD Grant	$33,500,000	100%
Installation	5,000,000			
Facilities Infrastructure	10,000,000			
Materials	2,000,000			
Total Project Costs	$33,500,000	Total Project Financing	$33,500,000	100%

Grantee/Beneficiary Contact - Scott Bateman, Associate Vice President for Finance
SUNY Polytechnic Institute
College of Nanoscale Science and Engineering
257 Fuller Road
Albany, NY 12203
Phone: (518) 437-8686

Project Team -		
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Denise Ross
	Design and Construction	Scott Renzi
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.

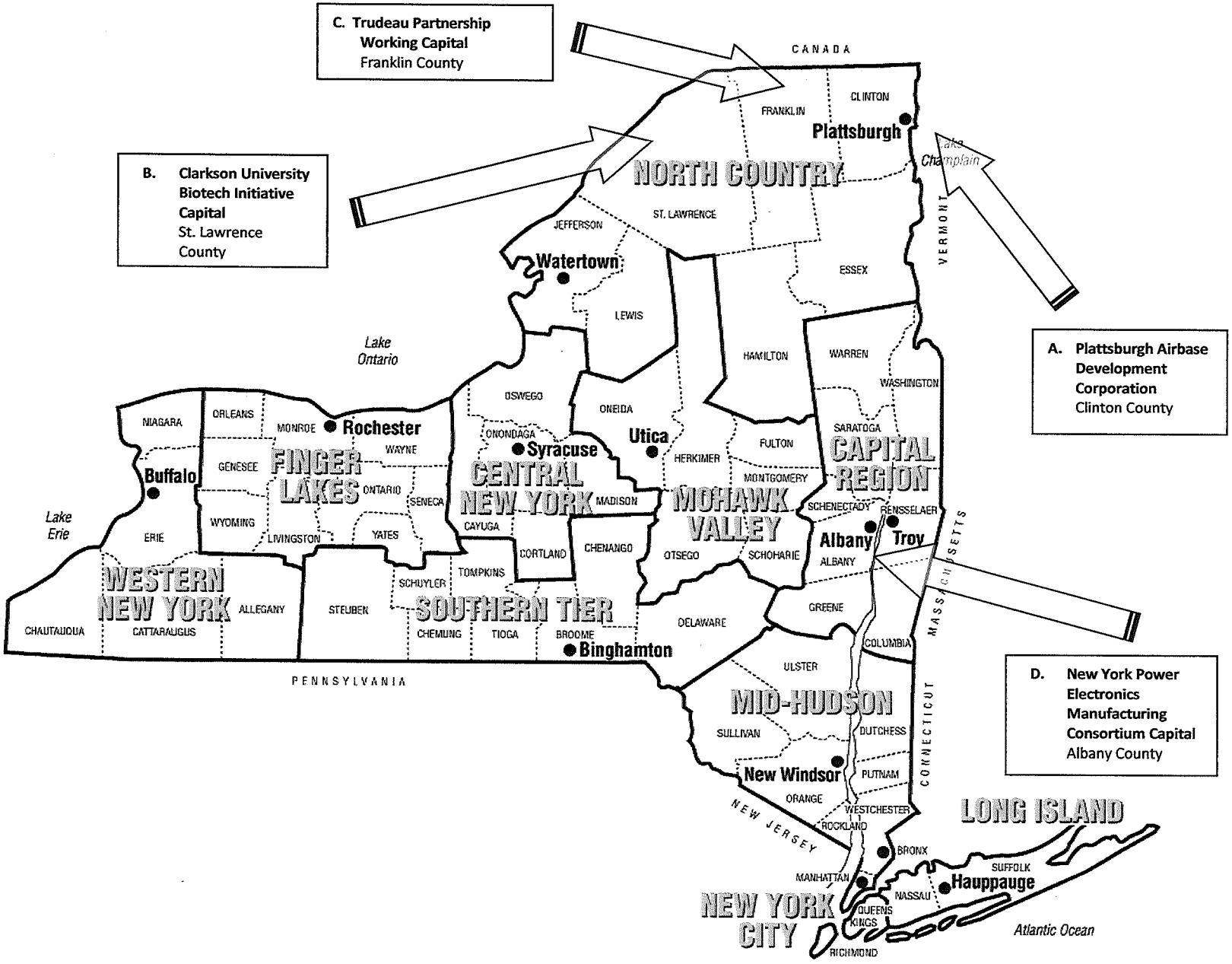
3. Up to $33,500,000 will be disbursed to the Grantee, no more frequently than monthly, upon documentation of eligible project costs, assuming that all project approvals have been completed and funds are available, and provided the Grantee is otherwise in compliance with ESD's Design & Construction requirements and the terms and conditions of the Grant Disbursement Agreement. The final 10% of the grant will be disbursed upon documentation of the full $33,500,000 in eligible project costs. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Eligible

expenses may be incurred prior to April 1, 2015, 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 $33,500,000, 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.

Statutory Basis – Special Appropriation - New York Power Electronics Manufacturing Consortium:
The project was authorized in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Non-Discrimination and Contractor & Supplier Diversity:
ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 12.4%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 8.68% and a Women Business Enterprise ("WBE") Participation Goal of 3.72% related to the total value of ESD's funding. MBE participation requirements may not be substituted for WBE participation, or the reverse.

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.

Non-Discretionary Project Map