

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

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

Meeting of the Directors

Thursday

March 24, 2016 – 9:00 a.m.

AGENDA

FOR CONSIDERATION

CORPORATE ACTION

1. Approval of the Minutes of the October 15, 2015 Directors Meeting

UPSTATE REGIONAL BLUEPRINT FUND

WESTERN NEW YORK REGION

2. Buffalo (Western New York Region – Erie County) - Curtiss Hotel URB Capital - Upstate Regional Blueprint Fund (Capital Loan) – Findings and Determinations Pursuant to Sections 16-q and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions; Determination of No Significant Effect on the Environment
3. Tonawanda (Western New York Region – Erie County) – Tonawanda North Youngmann Commerce Center Capital – Upstate Regional Blueprint Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 16-q and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

DRAFT – SUBJECT TO REVIEW AND REVISION

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

Meeting of the Directors

Held at the New York City Regional Office

633 Third Avenue

New York, New York 10017

and

Buffalo Regional Office

95 Perry Street

Buffalo, New York 14203

October 15, 2015

MINUTES

**In Attendance
Directors:**

Howard A. Zemsky (Acting Chair)
Hilda Rosario Escher

**Present for Upstate
ESD:**

Elizabeth Fine, General Counsel
Debbie Royce, Acting Secretary

Present for ESD:

Edwin Lee, Vice President – Economic Incentives

Also Present:

The Press
The Public

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The meeting of the Upstate Empire State Development Corporation, a wholly-owned subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), was called to order at 9:22 a.m. by Acting Chair Zemsky. It was noted for the record that notices to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

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

Next, Acting Chair Zemsky 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 with regard to items on the Agenda. No conflicts were noted.

The Acting Chair then called for a motion to approve the Minutes of the September 17, 2015 Directors’ meeting. Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE SEPTEMBER 17, 2015 MEETING OF THE DIRECTORS OF THE CORPORATION FOR UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on September 17, 2015, as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and

DRAFT – SUBJECT TO REVIEW AND REVISION

approved as actions of the Corporation.

* * *

The Acting Chair then asked Mr. Lee to present the Dewitt Clinton Hotel Upstate Regional Blueprint Fund loan item for the Directors' consideration.

Mr. Lee provided the relevant background information with regard to this request noting that the Directors were being asked to authorize the Corporation to make a \$4,000,000 Upstate Regional Blueprint Capital grant to 144 Real Estate Properties, Inc.

Among other things, Mr. Lee explained that the funds will be used for the renovation and reconstruction of the historic Dewitt Clinton Hotel in Albany.

Mr. Lee went on to note that the hotel was built in 1927 and that historically it has hosted many distinguished guests including Presidents and movie stars.

Mr. Lee further explained that in the early 2000's, the building became vacant and fell into disrepair and that the investors are now looking into ESD's investment in this \$45,000,000 project which will create a new hotel under the Marriott flag consisting of 204 rooms.

Mr. Lee added that the project is expected to be completed in October 2015 and that it will eventually create 75 jobs.

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Mr. Lee further noted that this project is also seeking a waiver of the Labor Peace Agreement involved in the project.

Before calling for questions or comments, the Acting Chair noted that he had recently toured the project. He noted that it is a fabulous project in downtown Albany.

The Acting Chair then called for questions and comment. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Albany (Capital Region – Albany County) – Dewitt Clinton Hotel URB Capital – Upstate Regional Blueprint Fund Capital – Business Investment (Capital Grant) – Findings and Determinations Pursuant to sections 16-q and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the material presented to this meeting, a copy of which is hereby ordered filed with the records of the Upstate Empire State Development Corporation (the "Corporation"), relating to the Dewitt Clinton Hotel URB Capital – Upstate Regional Blueprint 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 144 Real Estate Properties, Inc. a grant for a total amount not to exceed Four Million

DRAFT – SUBJECT TO REVIEW AND REVISION

Dollars (\$4,000,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

* * *

Albany (Capital Region – Albany County) – Dewitt Clinton Hotel URB Capital – Upstate Regional Blueprint Fund Capital – Business Investment (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Albany (Capital Region – Albany County) – Dewitt Clinton Hotel URB Capital – Upstate Regional Blueprint Fund Capital – Business Investment (Capital Grant) – Waiver of labor Peace Agreement

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

* * *

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There being no further business, the meeting was adjourned at 9:26 a.m.

Respectfully submitted,

Debbie Royce
Acting Secretary



FOR CONSIDERATION

March 24, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Buffalo (Western New York Region – Erie County) – Curtiss Hotel URB Capital – Upstate Regional Blueprint Fund (Capital Loan)

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

General Project Plan

I. Project Summary

Borrower: Curtiss Buffalo, Inc. (“Curtiss Buffalo”)

UESD* Investment: A loan of up to \$3,150,000 to be used for a portion of the cost of construction/renovation and furniture, fixtures and equipment

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

Project Location: 210 Franklin Street, Buffalo, Erie County (the “Curtiss Building”)

Proposed Project: Renovation of an existing, vacant, six-story historic structure into a destination upscale boutique hotel

Project Type: Business investment involving job creation

Regional Council: The Western New York Regional Economic Development Council has been made aware of this item. The project is consistent with the Regional Plan as it promotes smart growth and tourism.

Employment:	Initial employment at time of ESD Incentive Proposal:	1
	Current employment level:	1
	Minimum employment on January 1, 2017:	40

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Land Acquisition	\$3,000,000
Demolition	687,000
Renovation	10,115,000
Furniture, Fixtures and Equipment	1,742,000
Soft Costs	<u>3,201,000</u>
Total Project Costs	<u>\$18,745,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Loan (W931)	\$3,150,000	17%	2 nd lien on RE
ESD-Grant (W896)*	1,350,000	7%	
Evans Bank-Loan	9,000,000	48%	5%/10yrs/1st lien on RE
Grantee Equity**	<u>5,245,000</u>	<u>28%</u>	
Total Project Financing	<u>\$18,745,000</u>	<u>100%</u>	

*Previously approved by the ESD Directors.

**Includes \$3 million for the land acquisition, which was before the Grantee's written acceptance of ESD's offer.

III. Project Description

A. Borrower

Industry: Real estate investment

History: The Borrower was established in 1998 as Baja Beach Club, Inc. ("Baja Beach Club"), a wholly-owned subsidiary of Buffmark Holdings, LLC ("Buffmark"), a real-estate investment and holding company established by Western New York native Mark D. Croce, an entrepreneur and real estate developer. In 2002, Mr. Croce purchased the historic Curtiss Building, a vacant six-story, 57,500-square-foot historic Renaissance Revival-style landmark located in the heart of Downtown Buffalo. Constructed in 1912, the Curtiss Building is listed on the National Register of Historic Places and is one of only three remaining structures in Buffalo's downtown business district exhibiting a terracotta façade decorated with Art Nouveau styling.

In May 2014, Baja Beach Club changed its legal business name to Curtiss

Buffalo.

Ownership: Privately-owned

Size: Curtiss Buffalo has one operation.

Market: Local, regional and national destination business and leisure traveler markets

ESD Involvement: In early 2009, ESD awarded the City of Buffalo (the "City") a \$1.35 million RESTORE III grant to assist Curtiss Buffalo with converting the long-vacant Curtiss Building into a 57-room hotel, restaurant and banquet facility. After the RESTORE III award, Curtiss Buffalo notified ESD that it decided to eliminate the banquet component and add 10 additional rooms, a spa and a rooftop lounge in an effort to attract a higher level clientele. However, Curtiss Buffalo lacked the financial resources to complete the expanded project. It therefore sought ESD assistance and accepted ESD's February 1, 2010 incentive offer of a \$3,150,000 Upstate Regional Blueprint Fund loan allowing the expanded project to begin.

Competition: N/A

Past ESD Support: This is the Borrower's first project with ESD; however, it was a Beneficiary of the \$1.35 million RESTORE III grant to the City referenced above, which ESD Directors approved on February 19, 2010.

B. The Project

Completion: July 2016

Activity: The project involved property acquisition, asbestos and lead paint abatement/removal; demolition of the adjacent non-contributing dilapidated 11,614-square-foot building; a complete interior rehabilitation of the Curtiss Building, including reconstruction or replacement of historically-significant windows, terra-cotta façade and historic corridor elements, including cornice; rebuilding and replacing sidewalks and underlying vaults; and installation of all new utilities necessary to convert the vacant property into one long-term residential rental unit and a 67-room high-end boutique hotel, the Curtiss Hotel.

Results: The project will create 40 new jobs by January 1, 2017 and transform a long-vacant structure into an exclusive retreat, luring both luxury and high-end business travelers with room rates ranging from \$179 to \$399/night.

The Curtiss Hotel's amenities include high-end finishes; complimentary full-service valet parking; high-tech/high-speed custom elevators; a first-floor

three-meal fine-dining restaurant, Chez Ami, featuring a 28-foot-diameter revolving bar with a 270-degree panoramic view of the City through giant picture storefront windows; a spa showcasing Buffalo's first and only all-weather urban hot springs spa, also described as a Roman bath; elegant hotel rooms with touch-screen message displays, climate controls, drapery controls, and heated bidet-style Toto toilet seats within marble and mahogany spa-like bathrooms; a rooftop-level patio lounge with stunning views of the urban skyline and Lake Erie shoreline with a network of infrared heaters to extend seasonal usage; and a basement level housing a fitness center; a men's salon operated by Leon Studio One; storage space; on-premise laundry; and a secondary support kitchen. An approximate 600-square-foot market-rate residential unit will be located on the second floor overlooking the outdoor Roman Bath feature and will be a leased long-term. All food and beverage operations contained within the Curtiss Hotel will be managed and operated by Curtiss Hotel LLC, established in 2016, with common management and ownership.

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 \$4,951,497;
- Fiscal cost to NYS government is estimated at \$4,500,000;
- Project cost to NYS government per direct job is \$121,638;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$95,785;
- Ratio of project fiscal benefits to costs to NYS government is 1.07:1;
- Fiscal benefits to all governments (state and local) are estimated at \$6,592,285;
- Fiscal cost to all governments is \$4,500,000;
- All government cost per direct job is \$121,638;
- All government cost per total job is \$95,785;
- The fiscal benefit to cost ratio for all governments is 1.42:1;

- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$23,293,472, or \$481,374 per job (direct and indirect);
- The economic benefit to cost ratio is 5.03:1;
- Project construction cost is \$13,543,955, which is expected to generate 122 direct job years and 84 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.27 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is 7 years.

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

Grantee Contact: Mr. Mark D. Croce, President
257 Franklin Street
Buffalo, New York 14202
Phone: (716) 853-3400

ESD Project No.: W931

Project Team:	Origination/Project Management	Jean Williams
	Legal	Steve Gawlik
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Borrower shall pay a commitment fee of 1% of the \$3,150,000 loan (\$31,500). In addition, at the time of closing, the Borrower will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Borrower will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Guarantees: Corporate Guarantees are required from any entity or commonly controlled entities together owning 50% or more of the Borrower, including: Buffmark Holdings, LLC. Personal Guarantees are required from any individual or family members together owning 20% or more of the borrower, including: Mr. Mark D. Croce.
4. The Borrower will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Borrower's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Borrower or by investors, and should be auditable through Borrower financial statements or Borrower accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

5. Up to \$3,150,000 will be disbursed to the Borrower upon completion of the project substantially as described in these materials including documentation of \$18,745,000 in project expenditures. Expenditures must be incurred on or after February 17, 2010 to be considered eligible project costs. Disbursement of the loan must be requested by April 1, 2017.
6. Prior to disbursement, the Borrower shall document that Curtiss Hotel LLC employs 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 Curtiss Hotel LLC'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 Curtiss Hotel LLC to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Curtiss Hotel LLC'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 Curtiss Hotel LLC's to other employees with comparable rank and duties.
7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,150,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Borrower and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. Rate/Term: 2% interest rate increasing to Prime + 2% if Curtiss Hotel LLC Employment Commitment is not met and maintained, over 10 years.
9. Repayment Term: One Hundred and Twenty (120) monthly principal and interest payments, amortized over 20 years, beginning after disbursement of the loan.
10. Recapture: In consideration for the making of the Loan, Borrower will achieve the Employment Goals set forth in column B of the table below. If the number (for the preceding calendar year) of Borrower's Full-time Permanent Employees, as defined above, as of each reporting date set forth in column B of the table below, is less than eighty-five percent (85% of the Employment Goal set forth in column B), ESD reserves the right to raise the interest rate on the loan to prime plus 2% at its discretion. The Borrower'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.

Loan becomes immediately due and payable if Borrower sells or closes the Project Location.

11. Job Commitments:

Baseline Employment	1
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A	B
Reporting Date	Employment Goals
Anniversary Date of Loan Closing 2017	40
Anniversary Date of Loan Closing 2018	40
Anniversary Date of Loan Closing 2019	40
Anniversary Date of Loan Closing 2020	40
Anniversary Date of Loan Closing 2021	40
Anniversary Date of Loan Closing 2022	40
Anniversary Date of Loan Closing 2023	40
Anniversary Date of Loan Closing 2024	40
Anniversary Date of Loan Closing 2025	40
Anniversary Date of Loan Closing 2026	40
Anniversary Date of Loan Closing 2027	40

12. The Borrower will submit to ESD annual reviewed financial statements and quarterly internal financial statements certified by an officer or a Certified Public Accountant of the Borrower.
13. Financial Disclosure: Updated financial disclosure on Borrower and all guarantors acceptable to ESD must be provided prior to closing.
14. Lien/Collateral: Second/subordinate lien on the real property.
15. Due Diligence: Appraisals, and engineering and environmental reviews acceptable to ESD must be provided prior to closing, if applicable.

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.

A Labor Peace Agreement has been entered into with respect to the project.

IV. Statutory Basis – Upstate Regional Blueprint Fund

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

V. Environmental Review

The Erie County Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on June 18, 2014. 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 building's inclusion 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.

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The 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%. The overall goal shall include a Minority Business Enterprise Participation Goal of 12% and a Women Business Enterprise Participation Goal of 8% 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

March 24, 2016

Buffalo (Western New York Region – Erie County) – Curtiss Hotel URB Capital – Upstate Regional Blueprint Fund (Capital Loan) – Findings and Determinations Pursuant to Sections 16-q and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Curtiss Buffalo, Inc. a loan for a total amount not to exceed Three Million One Hundred Fifty Thousand Dollars (\$3,150,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer 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.

* * *

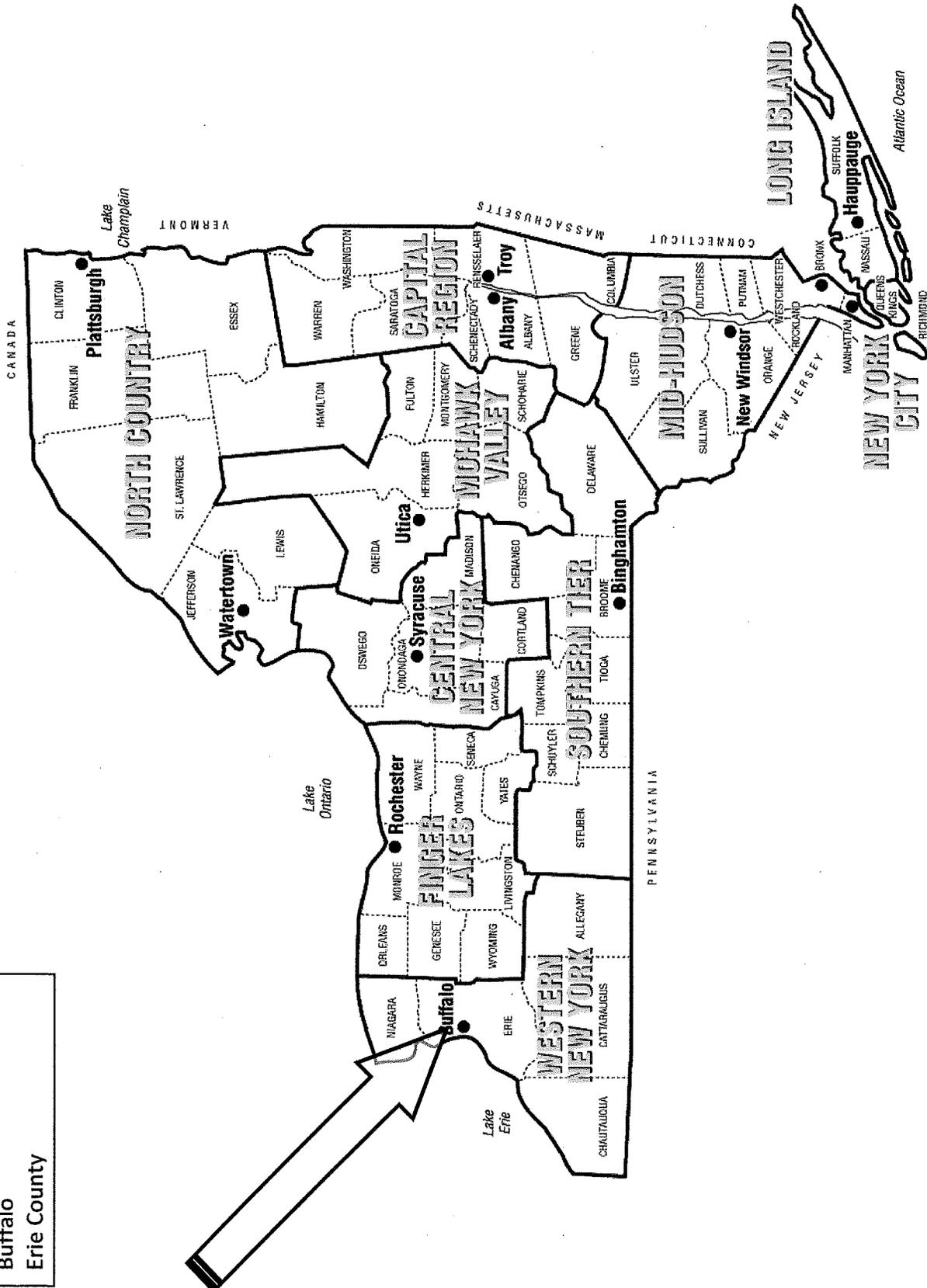
March 24, 2016

Buffalo (Western New York Region – Erie County) – Curtiss Hotel URB Capital – Upstate Regional Blueprint Fund (Capital Loan) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Curtiss Hotel URB Capital – Upstate Regional Blueprint Fund (Capital Loan) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Curtiss Hotel URB Capital
Buffalo
Erie County



Project Summary Benefit-Cost Evaluation¹

Curtiss Hotel URB – 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:	1	Construction Job Years (Direct):	122
New Jobs:	40 Over Three years	Construction Job Years (Indirect):	84

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$4,500,000	\$794,250	\$4,500,000	\$1,020,500
Fiscal Benefits⁴	\$4,951,497	\$2,085,600	\$6,592,285	\$4,271,980
Fiscal Cost /Direct Job	\$121,638	\$3,000	\$121,638	\$4,110
Fiscal Cost/Total Jobs	\$95,785	\$1,424	\$95,785	\$1,964
Fiscal B/C Ratio	1.07	7.00	1.42	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$23,293,472	\$119,468,000		
Econ. Benefits/Total Jobs	\$481,374	\$147,600		
Economic B/C Ratio	5.03	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.

Curtiss Hotel URB Capital, W931

Exterior



Historical Interior Corridor



Construction of 1st floor Revolving Bar



Construction of Rooftop-level Patio Lounge





FOR CONSIDERATION

March 24, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Tonawanda (Western New York Region – Erie County) – Tonawanda North Youngmann Commerce Center Capital – Upstate Regional Blueprint Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Town of Tonawanda (“Tonawanda” or the “Town”)

UESD* Investment: A grant of up to \$500,000 to be used for a portion of the cost of construction and infrastructure improvements

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

Project Location: 779 Two Mile Creek Road, Tonawanda, Erie County

Proposed Project: Increase the supply of “shovel ready” land for office and light industrial development, extending infrastructure to 87 acres in the Town-owned North Youngmann Commerce Center (“NYCC”)

Project Type: Infrastructure Investment

Regional Council: The Western New York Regional Economic Development Council (“REDC”) has been made aware of this item. The Incentive Offer was

accepted in March 2010, predating the REDC Initiative, and revised in February 2012. The project is consistent with the REDC Plan as it promotes manufacturing and increases municipal tax base.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Infrastructure	<u>\$3,300,000</u>	
Total Project Costs	<u>\$3,300,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	15%
Erie County-Grant	2,400,000	73%
Grantee Equity	<u>400,000</u>	<u>12%</u>
Total Project Financing	<u>\$3,300,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Municipality

Grantee History: Tonawanda was established in 1836 as an agricultural and trading center. During World War II, the Town’s population grew due to the increase of manufacturing and industrialized businesses. In the 1970’s, its economic viability declined from loss of those businesses and job opportunities. Today, Tonawanda is beginning to see improvements with new housing and new businesses.

Size: The Town, 20.2 square miles in area, has a population of approximately 73,500 residents.

ESD Involvement: In November 2005, the Town completed a Comprehensive Plan which called for the shovel-ready development of 225 acres of vacant land consisting of the privately-owned Riverview Commerce Park (“RCP”) and the adjacent Town-owned NYCC to support office and light-industrial activities, increasing access to jobs and increasing the property tax base. The Town, especially hard hit with industry closings and downsizing, did not have the financial resources to complete the infrastructure project. The Grantee sought financial assistance through the competitive Upstate Regional Blueprint Fund Request for Proposals. Based on the merit of the project, ESD provided an incentive package of a \$1 million grant which was accepted in March 2010. However, in 2011 the Town felt that the

redevelopment of the privately-owned property was not ready to proceed, and therefore revised the project's scope and budget to include only the NYCC, but a finance gap still existed. ESD responded with a revised incentive offer of \$500,000 which the Town accepted in February 2012.

Competition: N/A

Past ESD Support: In 2007, the ESD Directors approved \$340,000 in assistance to the Grantee for asbestos abatement and removal, demolition, and site clearing of 17 vacant residential properties. 16 of 17 properties were fully demolished and subsequently, \$314,362 was disbursed to the Grantee in 2009.

B. The Project

Completion: December 2015

Activity: The project involved construction of a new access road, utilities, water, sanitary and storm water sewers, and additional roadway terminus extending infrastructure to allow for future light industrial development.

Results: The project transformed approximately 87 acres of vacant land strategically located within minutes of the NYS Thruway and within ten miles of the U.S./Canadian border into a shovel-ready site thus increasing the economic value of the area allowing for significant new job opportunities and increased tax base within the Town. Zaefpel Development purchased ~31 acres in 2014, which it will be leasing to First Source and MJ Mechanical. First Source, a national packager and distributor of confections, candies, and specialty foods such as Ghiradelli, Godiva, and Jelly Belly, is in the process of constructing a new 307,000-square-foot facility on ~24-acres, retaining 175 jobs and creating 25 new jobs. First Source had considered relocating its operations to Toana, Virginia. MJ Mechanical, a local metal fabricator, is currently constructing a 40,000-square-foot headquarters facility on ~7 acres and plans to add 32 jobs onto its current workforce of 143. Unifrax I, LLC, a local producer of automotive emission control systems, purchased ~12 acres and intends to construct a 76,000-square-foot facility. Currently, ~22 acres of shovel-ready land remain available for purchase; ~12 acres are comprised of roads, utilities and wetlands.

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 \$214,548;
- Fiscal cost to NYS government is estimated at \$500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.43:1;
- Fiscal benefits to all governments (state and local) are estimated at \$375,139;
- Fiscal cost to all governments is \$500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.75:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$2,830,034;
- The economic benefit to cost ratio is 5.66:1;
- Project construction cost is \$3,300,000 which is expected to generate 30 direct job years and 19 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: Mr. Joseph H. Emminger, Supervisor
2919 Delaware Avenue
Kenmore, NY 14217
Phone: (716) 877-8804

ESD Project No.: W990

Project Team:	Origination	Ray Witzleben
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Geraldine Ford
	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 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 ESD's announcement of the project. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$500,000 will be disbursed to Grantee in a lump sum upon completion of the project substantially as described in these materials and documentation verifying project expenditures of \$3.3 million, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after January 8, 2010, to be considered eligible project costs. Disbursement must be requested no later than 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 – Upstate Regional Blueprint Fund

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

V. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Generic Environmental Impact Statement ("FGEIS") certified as complete on June 15, 2009 by the Town Board of the Town of Tonawanda, as lead agency for the proposed North Youngmann Commerce Center project (the "proposed action").

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

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

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

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 25%. The overall goal shall include a Minority Business Enterprise Participation Goal of 15% and a Women Business Enterprise Participation Goal of 10% related to the total value of ESD’s funding

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
Benefit-Cost Analysis
Exhibit A – Involved Agency Findings Statement
Project Finance Memorandum
Project Photographs

March 24, 2016

Tonawanda (Western New York Region – Erie County) – Tonawanda North Youngmann Commerce Center Capital – Upstate Regional Blueprint Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 16-q and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Upstate Empire State Development Corporation (the "Corporation"), relating to the Tonawanda (Western New York Region – Erie County) – Tonawanda North Youngmann Commerce Center Capital – Upstate Regional Blueprint Fund – (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer 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.

* * *

March 24, 2016

Tonawanda (Western New York Region – Erie County) – Tonawanda North Youngmann Commerce Center Capital – Upstate Regional Blueprint Fund (Capital Grant) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

RESOLVED, that with respect to the Tonawanda North Youngmann Commerce Center 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.

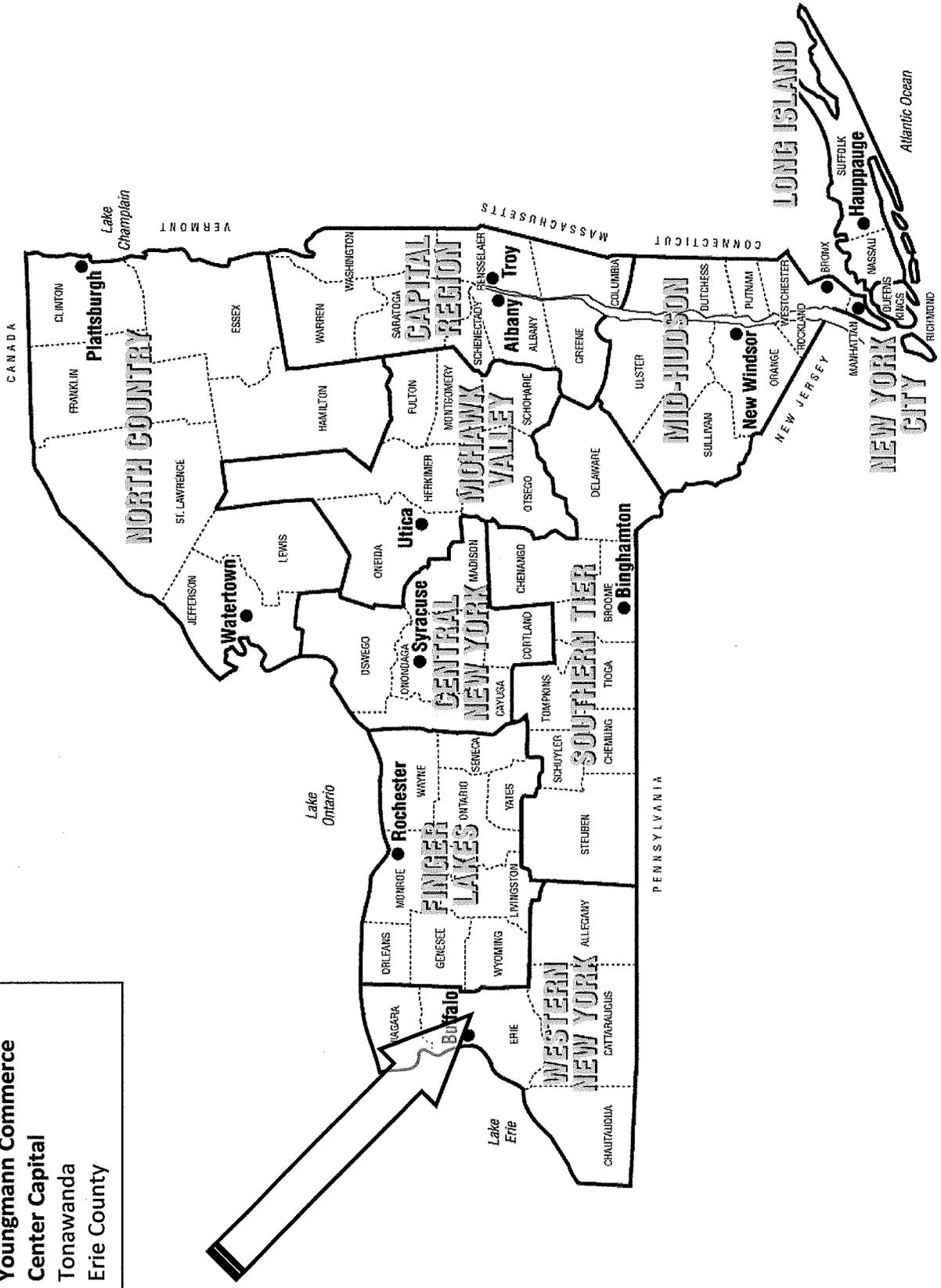
- The Corporation has given consideration to the Draft and Final Generic Environmental Impact Statement (“DGEIS” and “FGEIS”, respectively) prepared for the North Youngmann Commerce Center project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department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

and be it further

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

**

Tonawanda North
Youngmann Commerce
Center Capital
Tonawanda
Erie County



**Project Summary
Benefit-Cost Evaluation¹**

**Infrastructure Investment Project
Tonawanda North Youngmann Commerce Center Capital**

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): 30
Construction Job Years (Indirect): 19

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	\$500,000	\$794,250	\$500,000	\$1,020,500
Fiscal Benefits(Taxes)⁴	\$214,548	\$2,085,600	\$375,139	\$4,271,980
Fiscal B/C Ratio	0.43	3.00	0.75	10.60
	Project Results	Benchmarks for ESD Projects		
Economic Benefits⁵	\$2,830,034	\$119,468,000		
Economic B/C Ratio	5.66	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 Generic Environmental Impact Statement issued on June 15, 2009 for the North Youngmann Commerce Center project.

Name of Action: Tonawanda North Youngmann Commerce Center Capital

SEQRA Classification: Type I

Lead Agency: Town of Tonawanda Town Board

Description of Proposed Action, Project and Location

Empire State Development has received a funding request from the Town of Tonawanda for the North Youngmann Commerce Center (the "Proposed Project" or "North Youngmann") project under the Upstate Regional Blueprint Fund – Infrastructure Investment program. The Proposed Action would consist of ESD's authorization of funding to be used for a portion of cost of construction and infrastructure improvements for the North Youngmann Commerce Center ("North Youngmann") project. ESD is an involved agency in the SEQR review of the Proposed Project due to its role in providing grant funding.

The Proposed Action will facilitate the development of the North Youngmann Commerce Center project, which involved the transformation of approximately 92 +/- acres of vacant land, commonly known as the Mud Flats, to include approximately 580,000 square feet of office/light industrial space and associated roadways, parking areas, utilities, and storm water management facilities. The site will retain approximately 56.81 acres of open space and landscaped areas. ESD funding would be used for the construction of a new access road, utilities, water, sanitary and storm water sewers, and an additional roadway terminus extending infrastructure to allow for future light industrial development.

The North Youngmann project site is located in the Town of Tonawanda, Erie County, New York and is bounded by I-290 to the south, East Park Drive to the west, the National Grid transmission line corridor to the north and the CSX railroad to the east.

Facts and Conclusions in the FGEIS Relied Upon to Support the Findings:

1. This Findings Statement for the Tonawanda North Youngmann Commerce Center project has been prepared in compliance with the State Environmental Quality Review Act, 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 ("NYCRR"), which collectively contain the requirements for the State Environmental Quality Review ("SEQR") process.
2. The Town of Tonawanda Town Board, as Lead Agency, made a determination that the North Youngmann project was a Type I action pursuant to 6 NYCRR Part 617 and conducted a coordinated SEQR process, issuing a Draft Generic Environmental Impact Statement ("DGEIS") on May 4, 2009 and a Final Generic Environmental Impact Statement ("FGEIS") on June 15, 2009. The Lead Agency's Findings Statement was issued on July 20, 2009.
3. ESD is an involved agency for the purposes of SEQR due to its funding approval under the Upstate Regional Blueprint Fund – Infrastructure Investment program. ESD's involvement is the authorization of funding for the Proposed Project.
4. This Findings Statement is based upon facts and conclusions contained in the DGEIS and FGEIS. This SEQR Findings Statement represents ESD's compliance with SEQR for the Proposed Project.
5. The potential effects of the Proposed Project were adequately analyzed and disclosed in the DGEIS and FGEIS for the North Youngmann project. The Proposed Project, as currently contemplated, would not engender any new significant adverse environmental impacts not previously disclosed in the FGEIS.
6. The subject site was previously disturbed and was used as a soil borrow pit during the construction of I-290 and was once the location of a Town incinerator facility. In 1992, the Department of Energy designated the site as a Formerly Utilized Radiation Action Program (FUSAP) for the potential of the soil to contain radioactive material. The U.S. Army Corps of Engineers performed a Baseline Risk Assessment evaluating the risks for commercial/ industrial development of the site and concluded that risks to human health were within the U.S. Environmental Protection Agency guidelines and determined that no further remediation action was required prior to development of the site.
7. Construction activities and development of the site for the North Youngmann Commerce Center project will result in additional impervious surfaces and increase the potential for soil erosion and sedimentation in surface waters. An Erosion and Sediment Control plan will be developed and implemented to control site construction dust and runoff. Storm water will also be managed in accordance with a Storm Water Pollution Prevention Plan in conformance with the New York State Department of Environmental Conservation's ("NYSDEC's") technical standards and NYSDEC's State Pollution Discharge Elimination

System permit requirements. In addition, on site cuts and fills will attempt to be balanced during site development.

The project site is located within the Niagara River drainage basin. Two Mile Creek, which has a NYSDEC protected stream classification of "C", runs through the western portion of the site and drains into the Niagara River. In addition, there are 27 wetland areas totaling 8.57 acres on the site. 19 of the wetlands totaling 6.65 acres were determined by the U.S. Army Corps of Engineers to be regulated. The others are non-jurisdictional wetlands. No improvements are proposed within 50 feet of the top bank or within the existing streambed of Two Mile Creek. If any disturbance within 50 feet of Two Mile Creek will occur, a Protection of Waters Permit from NYSDEC will be required. Approximately 1.5 acres of regulated wetlands will be impacted as a result of the North Youngmann project. Prior to filling any regulated wetlands, a permit will be required from the U.S. Army Corps of Engineers. Mitigation measures include wetland establishment consisting of the development of a wetland or other aquatic resources through the manipulation of the physical, chemical, or biological characteristics of an area where a wetland did not previously exist.

With the implementation of the above mitigation measures, as more fully described in the DGEIS, FGEIS and the Lead Agency's Findings Statement, potential impacts on land and water resources will be mitigated to the maximum extent practicable.

8. The project site is located within an area that has been designated by the New York State Office of Parks, Recreation and Historic Preservation ("NYSOPRHP") as an archaeologically sensitive area. NYSOPRHP requested that a Phase 1 Archaeological Survey be completed for undisturbed portions of the site. A Phase 1A study was completed and revealed no properties listed on the State or National Registers of Historic Places and no known archaeological resources within or in close proximity to the site. The Phase 1A study indicated 14 acres of undisturbed area along the southern portion of the property required a Phase 1B study. The Phase 1B study did not reveal any archaeological resources and no further investigation was warranted for the site. The North Youngmann 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. The New York State Historic Preservation Office ("SHPO") in a letter dated December 18, 2013, determined that there will be No Historic Properties Affected based on the architectural and archaeological review of the project. Therefore, the Proposed Project will have no adverse effect on historic or cultural resources in or eligible for inclusion in the National and/or State Registers of Historic Places.
9. The Traffic Impact Study for the proposed development indicated some reductions in Level of Service will occur at some of the study intersections as a result of the full build out of the project. The project may require the relocation of a portion of the Two Mile Creek bike path. The Town of Tonawanda (the "Town") will cause the following mitigation measures to be implemented over the life of the project: On a site-by-site basis, as development of the North Youngman Commerce Center occurs, the Town will be responsible for ensuring that

individual projects comply with its adopted Findings Statement. The Town may determine during individual site plan review that certain developments within the North Youngman Commerce Center may require the submission of a supplemental Traffic Impact Study or additional information to evaluate the potential cumulative transportation impacts of the project and to determine if thresholds for transportation mitigation will be met. When it is determined that development of the site has reached the threshold, the Town, in coordination with the New York State Department of Transportation, Erie County Department of Public Works, and/or developer(s) of the project will either need to identify appropriate mitigation to be undertaken before any further development may occur or require the preparation of a revised Traffic Impact Study to reevaluate existing traffic conditions and the potential cumulative impacts of the development to determine what mitigation, if any, is warranted. If it is determined that mitigation is required, the Town and/or involved developers will be required to help implement/construct these mitigation measures. With the incorporation of these mitigation measures, potential transportation impacts will be mitigated to the maximum extent practicable

10. 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 Generic Environmental Impact Statements, including the comments received on the DGEIS, 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 FGEIS 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 FGEIS 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 FGEIS and in this Findings Statement; and
4. The Project is in compliance with Section 14.09 of the State Historic Preservation Act.

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

Signature of Responsible Officer: _____

Name/Title of Responsible Officer: Rachel Shatz
Vice President, Planning & Environmental Review

Date: _____

Bridge truss during construction



Completed bridge truss



Tonawanda North Youngmann Commerce Center Capital, W990

Roadbed construction



Completed roadway

