

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

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

at the offices of
Empire State Development
633 Third Avenue
New York, New York 10017

Meeting of the Directors

Thursday

April 19, 2018 – 9:00 a.m.

AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of the Minutes of the July 21, 2016 Directors' Meeting

II. PROJECT

WESTERN NEW YORK REGION

- A. Liberty (Mid-Hudson Region - Sullivan County) – Catskill Food Hub 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; Determination of No Significant Effect on the Environment

Item I. A.

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

July 21, 2016

MINUTES

**In Attendance
Directors:**

Howard A. Zemsky (Acting Chair)
Sam Hoyt (via video)

**Present for Upstate
ESD:**

Steve Gawlik, Deputy General Counsel
Debbie Royce, Acting Corporate Secretary

Present for ESD:

Michael Ball, Deputy Director - Western New York
Regional Office
Lindsey Boylan, Chief of Staff
Maria Cassidy, Deputy General Counsel
Edwin Lee, Vice President – Economic Incentives
Glendon McLeary, Assistant Vice President – Economic
Incentives, Loans and Grants
Kathleen Mize, Deputy Chief Financial Officer and
Controller
Kevin Younis, Chief Operating Officer

Also Present:

The Press
The Public

DRAFT – SUBJECT TO REVIEW AND REVISION

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 9:03 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 March 24, 2016 Directors’ meeting. Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 24, 2016 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 March 24, 2016, as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair then asked Michael Ball to present the Praxair Liquid Hydrogen Facility Upstate Regional Blueprint Fund grant item for the Directors' consideration.

Mr. Ball stated that Praxair is a Fortune 250 Company founded in Buffalo in 1907 and is the largest industrial gas company in the western hemisphere.

Mr. Ball explained that the Directors are being asked to approve a \$1,000,000 grant for building renovations along with the purchase of machinery and equipment to improve the natural gas compression system supply. He noted that the company will retain 78 jobs and create four jobs by June 2017. Lastly, he advised that as of today, six jobs have already been created.

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

Niagara Falls (Western New York Region – Niagara County) – Praxair Liquid Hydrogen Facility 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 Corporation, relating to the Praxair Liquid Hydrogen Facility Capital -- Upstate Regional Blueprint Fund (Capital Grant) Project (the

DRAFT – SUBJECT TO REVIEW AND REVISION

“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 Praxair, Inc. a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Niagara Falls (Western New York Region – Niagara County) – Praxair Liquid Hydrogen Facility Capital – Upstate Regional Blueprint Fund (Capital Grant) – Determination of No Significant Effect on the Environment

DRAFT – SUBJECT TO REVIEW AND REVISION

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

* * *

There being no further business, the meeting was adjourned at 9:06 a.m.

Respectfully submitted,

Debbie Royce
Acting Secretary

Item II. A.



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Liberty (Mid-Hudson Region – Sullivan County) – Catskills Food Hub 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; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: County of Sullivan Industrial Development Agency (the “IDA” or the “Agency”)

ESD* Investment: A grant of up to \$320,000 to be used for a portion of the cost of 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: 92 Commerce Drive, Liberty, Sullivan County

Proposed Project: Acquisition of real estate property, construction/renovation, infrastructure improvements and purchase and installation of machinery and equipment for the food hub

Project Type: Infrastructure investment

Regional Council: The Mid-Hudson Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in January 2010, predating the Regional Council Initiative.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$261,537	
Infrastructure Improvements	1,317,923	
Machinery and Equipment	<u>72,550</u>	
 Total Project Costs	 <u>\$1,652,010</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD-Grant	\$320,000	20%
US Department of Commerce	700,317	42%
County of Sullivan Grant	150,000	9%
IDA Equity	<u>481,693</u>	<u>29%</u>
 Total Project Financing	 <u>\$1,652,010</u>	 <u>100%</u>

III. Project Description

A. Grantee

Industry: Economic Development

Grantee History: The County of Sullivan Industrial Development Agency (“IDA”) was created by an act of the New York State Legislature in 1970, as a public benefit corporation of the State of New York, under Section 906 of the General Municipal Law. The IDA’s primary goal is to promote economic welfare, recreation opportunities, prevent unemployment and economic deterioration, ensure the prosperity of Sullivan County’s inhabitants, and promote tourism and trade.

Ownership: Public entity

Size: All facilities are located in Sullivan County, NY.

Market: The IDA helps grow, expand, and bring businesses to Sullivan County.

ESD Involvement: In July 2016, the County of Sullivan IDA formally requested to revise the December 2009 Incentive Proposal (“Proposal”) for the development and construction of the Red Meat Processing Facility to repurpose the property for the Catskills Food Hub (“Hub”). Keeping with the

responsibilities of the original proposal, the IDA and the Village of Liberty completed the development of the site as well as the construction of the facility. However, after an extensive search, the IDA was unable to identify a contractor and operator with the capacity to run the facility. A new not-for-profit entity, Sullivan Catskills Regional Food Hub, Inc. was formed to spearhead the Hub project. The IDA continues to own the land and facility.

In August 2017, the Mid-Hudson Regional Office requested approval to revise the Proposal and redirect the \$320,000 Upstate Regional Blueprint Fund grant to assist with the development of the Hub.

Competition: N/A

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

B. The Project

Completion: July 2018

Activity: The IDA acquired a 5.9 acre site and built a 5,250-square-foot food distribution facility shell in the Village of Liberty. The infrastructure improvement included: site excavation and backfill; sanitary sewer including installation of sewer pipe and septic tank; water supply work including installation of waterline, trench excavation and installation of gate valve and valve box; stormwater drainage and management work; access road and parking lot construction including fence installation, steep slope stabilization and restoration work among others. Machinery and equipment acquisition included coolers and a freezer.

Results: The Hub will provide farmers and food processors access to a variety of distribution channels to larger regional markets. The Hub will also give buyers access to more local and regional food products at one location.

Infrastructure
Investment

Project: No Benefit-Cost Analysis ("BCA") is required since these projects generate long-term benefits not captured in the short-term period used for the BCA and may involve no permanent job commitments.

Grantee Contact: Jennifer Flad, Executive Director
One Cablevision Center
Ferndale, New York 12734
Phone: (845) 295-2603
E-mail: jflad@sullivanida.com

ESD Project No.: W935

Project Team:	Origination	Charles Radier
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Denise Ross
	Finance	Christina Choi
	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 \$320,000 capital grant (\$3,200) 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 \$320,000 will be disbursed to Grantee in lump sum upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, and documentation verifying project expenditures of \$1,600,000, 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 reimbursed by ESD must be incurred on or after January 21, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$320,000, 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 – Upstate Regional Blueprint Fund

The funding 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 Village of Liberty Planning Board, as lead agency, has completed an environmental review of the project pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 10, 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 and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises (MWBES) for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve MWBE Participation. Establishment of specific goals related to the total value of ESD’s funding is still pending.

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

April 19, 2018

Liberty (Mid-Hudson Region – Sullivan County) – Catskills Food Hub 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 Corporation, relating to the Catskills Food Hub 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 County of Sullivan Industrial Development Agency a grant for a total amount not to exceed Three Hundred and Twenty Thousand Dollars (\$320,000) 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.

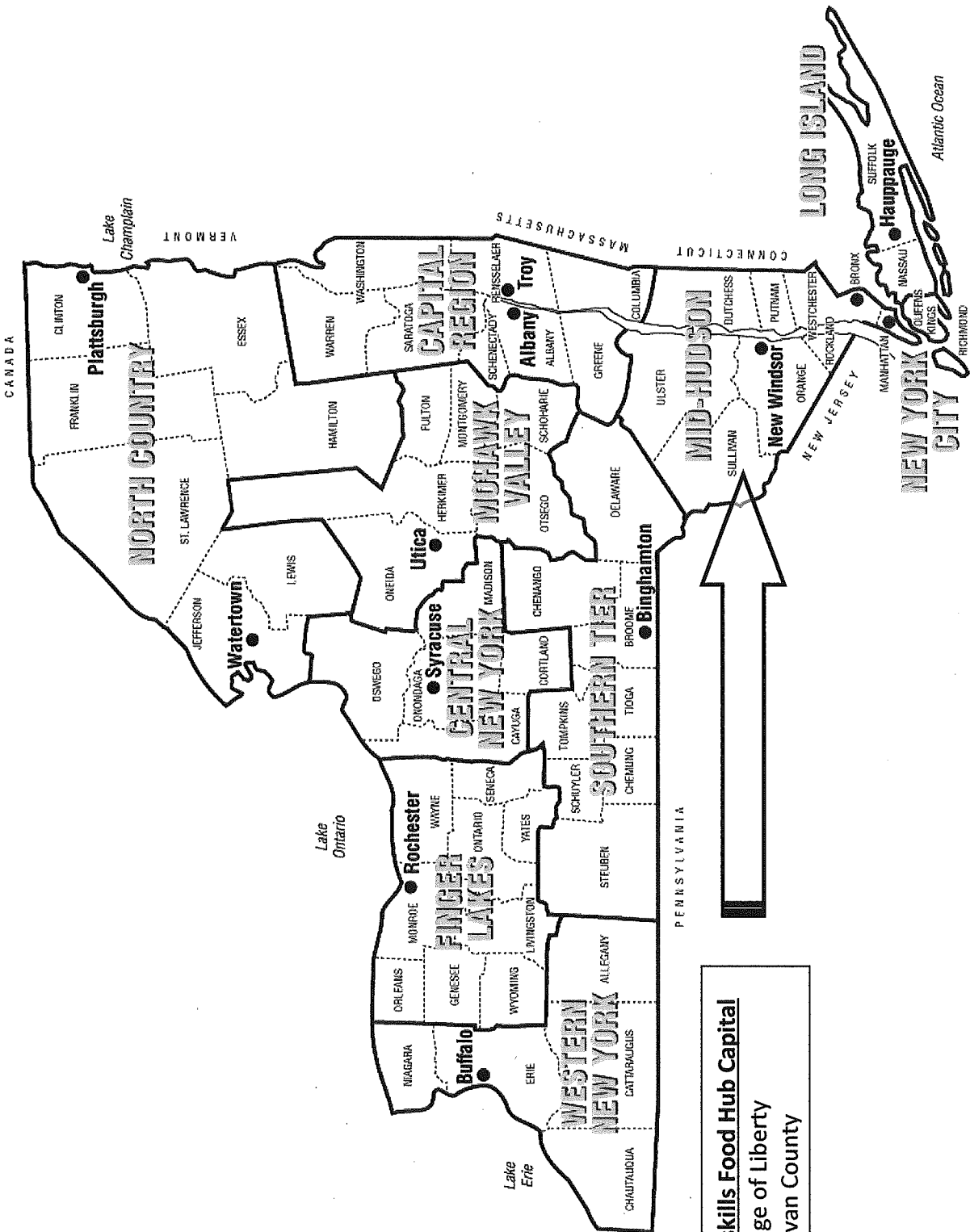
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April 19, 2018

Village of Liberty (Mid-Hudson Region – Sullivan County) – Catskills Food Hub Capital –
Upstate Regional Blueprint Fund (Capital Grant) – Determination of No Significant
Effect on the Environment

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

* * *



Catskills Food Hub Capital
 Village of Liberty
 Sullivan County