

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 minute (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.

**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

Monday

May 18, 2015 – 9:30 a.m.

**PROPOSED AGENDA**

**FOR CONSIDERATION**

**I. CORPORATE ACTION**

- A. Approval of Minutes of the April 16, 2015 Directors' Meeting
- B. Officer of the Corporation – Appointment of Chief of Staff and Chief Operating Officer

**II. DISCRETIONARY PROJECTS**

**WESTERN NEW YORK REGION**

- A. Buffalo (Western New York Region - Erie County) – Buffalo Harbor State Park Capital – Buffalo Regional Innovation Cluster - (Capital Grant) – Findings and Determination 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
- B. Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/Riverbend Park Capital – Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

II. **DISCRETIONARY PROJECTS - Continued**

**MID-HUDSON REGION**

- C. Tarrytown (Mid-Hudson Region – Westchester County) – Regeneron DFR Capital - Downtown Revitalization Fund – Downtown Redevelopment (Capital Grant) - Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**NEW YORK CITY REGION**

- D. Staten Island (New York City Region – Richmond County) – Global Container Terminal New York Dredging Capital – Port Authority Bi-State Dredge 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

**WORLD TRADE CENTER JOB CREATION RETENTION PROGRAM**

- E. New York (New York City Region – New York County) – Droga5 JCRP – World Trade Center Job Retention and Creation Program (Working Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

**STATEWIDE - CRAFT BEVERAGE GRANT PROGRAM**

- F. Statewide - Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and Take Related Actions
- A. New York Wine and Grape Foundation - NYWGF Wine Country Infographic Working Capital (Ontario County) - \$95,000

**II. DISCRETIONARY PROJECTS - Continued**

**DISCRETIONARY PROJECTS CONSENT CALENDAR**

- G. Discretionary Projects Consent Calendar – Findings and Determinations Pursuant to Sections 10 (g) and 16- m 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

**Empire State Economic Development Fund**

- A. Sabra Dipping Capital – Sabra Dipping Company, LLC (Westchester County) – \$100,000  
B. Plattsburgh-North Country Chamber 2015 Paris Air Show Working Capital – Plattsburgh-North Country Chamber of Commerce (Clinton County) - \$59,500

**Economic Development Purpose Fund**

- C. Chocolate Pizza Capital – Chocolate Pizza Company, Inc. (Onondaga County) - \$45,000

**III. REGIONAL COUNCIL AWARDS**

**NEW YORK CITY REGION**

**MOHAWK VALLEY REGION**

- A. Regional Council Award – Priority Project – Marcy (Mohawk Valley Region – Oneida County) – MVEDGE - Marcy Nanocenter Interceptor Phase 1B Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions
- B. Regional Council Award – Rome (Mohawk Valley Region - Oneida County) – Griffiss International Airport Customs and Border Patrol Facility 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

**SOUTHERN TIER REGION**

- C. Regional Council Award – Elmira (Southern Tier Region – Chemung County) – First Arena 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

**III. REGIONAL COUNCIL AWARDS - Continued**

**NORTH COUNTRY REGION**

- D. Regional Council Award – Priority Project – Tupper Lake (North Country Region - Franklin County) – Wild Center Wild Walk 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

**MID-HUDSON REGION**

- E. Regional Council Award – Middletown (Mid-Hudson Region – Orange County) – Touro College Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
- F. Regional Council Award – Kingston (Mid-Hudson Region – Ulster County) – The Solar Energy Consortium 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

**CENTRAL NEW YORK REGION**

- G. Regional Council Award – Priority Project - Syracuse (Central New York Region – Onondaga County) – Central New York Biotech Accelerator 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 – Aurora (Central New York Region – Cayuga County) – Rowland House 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

**III. REGIONAL COUNCIL AWARDS – Continued**

**MARKET NY GRANT PROGRAM**

- I. Market NY Grant Program – Regional Tourism Marketing Competition – Market New York Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions
  - A. The Geva Theatre Center – Historic Armory Renovations Front Center Campaign Capital (Monroe County) - \$25,000

**REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR**

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

Regional Council Capital Fund

- A. Browder’s Birds Capital – Browder’s Bird, LLC (Suffolk County) – \$61,375

Urban and Community Development Program

- B. Dutchess County Strategic Planning Study Working Capital (Dutchess County) - \$25,000
- C. Village of Brewster Strategic Planning Study Working Capital (Putnam County) - \$22,500

**IV. NON-DISCRETIONARY PROJECTS**

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

- A. Non-Discretionary Projects Consent Calendar – Authorization to Make a Grant and to Take Related Actions

Local Assistance (Senate)

- A. CenterState Corporation for Economic Opportunity Working Capital (Onondaga County) - \$200,000

**V. NEW YORK STATE INNOVATION VENTURE CAPITAL FUND**

- A. New York State Innovation Venture Capital Fund (NYSIVCF) - Authorization of an Investment of NYSIVCF Fund in Unite US
- B. New York State Innovation Venture Capital Fund (NYSIVCF) – Authorization of an Investment of NYSIVCF Funds in Cureatr

**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  
37<sup>th</sup> Floor Conference Room  
New York, New York 10017

April 16, 2015

**MINUTES**

**In Attendance  
Directors:**

Howard A. Zemsky – Commissioner of DED (Acting Chair)  
Kenneth Adams  
Joyce Miller  
Anthony Albanese – Designee – Superintendent (New York State  
Department of Financial Services)

**Present for ESD:**

Simone Bethune, Project Manager – Loans and Grants  
Maria Cassidy, Deputy General Counsel  
Thomas Conoscenti, Director – Real Estate Development  
Carey Gabay, First Deputy General Counsel  
Sam Filler, Director – Industry Development  
John Gilstrap, Executive Vice President – Business Attraction &  
Expansion  
Brendan Healey, Assistant Vice President – Economic Incentives  
Eunice Jackson, Senior Counsel  
Brian Keil, Managing Director – New York State Innovation Capital  
Fund  
Edwin Lee, Vice President – Economic Incentives-Loans and Grants  
Benson Martin, Director of Compliance  
Eileen McEvoy, Corporate Secretary  
Glendon McLeary, Assistant Vice President – Economic Incentives  
-Loans and Grants  
Kathleen Mize, Deputy CFO and Controller  
Richard Newman, Executive Vice President – State Marketing  
Strategy  
Rachel Shatz, Vice President – Planning & Environmental Review  
Joseph Tazewell, Director – New York City Region  
Kay Wright, Executive Vice President – Public Affairs

**DRAFT – SUBJECT TO REVIEW AND REVISION**

**Also Present:** James Fayle – Central New York Regional Office  
Kevin Hurley – Finger Lakes Regional Office  
Bonnie Palmer – Southern Tier Regional Office  
David Salway – Albany Regional Office  
Kenneth Tompkins, Director – Mohawk 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 9:49 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, 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 regarding items on the Agenda.

Acting Chair Zemsky then asked the Directors to approve the Minutes of the March 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 MARCH 19, 2015 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that the Minutes of the meeting of the Corporation held on March 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.

\* \* \*

Acting Chair Zemsky then provided a brief overview regarding the types of projects that will be considered by the Directors at today's meeting.

The Acting Chair then called on Mr. Newman to provide an informational presentation with regard to the Open for Business Program. The intent of providing this report, Mr. Newman noted, is to respond to questions that were raised at the March ESD Directors' meeting.

Mr. Newman presented an in-depth report covering various aspects of the program and a discussion with the Directors ensued.

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 would 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 16 Discretionary Projects including: one \$14.5 million Economic Transformation Fund grant; two Open for Business Craft Marketing grants totaling \$500,000; one Metropolitan Economic Revitalization Fund loan for \$5 million; one Empire State Economic Development Fund grant for

**DRAFT – SUBJECT TO REVIEW AND REVISION**

\$5 million; one Downstate Revitalization Fund grant for \$2.5 million; and two New York State Innovation Venture Capital grants totaling \$3.6 million.

Mr. McLeary explained that these projects also include 11 Regional Council Awards projects, including one Economic Development Purposes Fund grant for \$400,000; nine Regional Council Capital Fund grants totaling \$12.6 million and one Market New York grant for \$25,000.

Mr. McLeary added that these 16 projects will leverage over \$740 million in additional investments and will assist in retaining 570 jobs and in creating approximately 926 jobs in New York State.

Before calling on the first presenter, the Acting Chair noted that ESD considers items at various stages of development and he asked the presenters to indicate the stage of each project that they are discussing.

Next, Mr. Tompkins, the Director of ESD's Mohawk Valley Regional Office, presented the Rome H2O Economic Transformation Program project for the Directors' consideration.

Mr. Tompkins explained that the \$8,500,000 grant will be used for a portion of the cost of the installation and expansion of public water and sewer infrastructure that will serve the West Rome and South Rome brownfield opportunity areas within the City of Rome in Oneida County, New York.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Tompkins further noted that the genius of this project was the closing of the Oneida Correctional Facility.

As a result of this closing, Mr. Tompkins continued, the City suffered a substantial setback losing 500 corrections officers and civilian workers in 2011.

Among other things, Mr. Tompkins noted that although the Griffiss Business and Technology Park has been enjoying great success and has been contributing moderately to the City of Rome, water remains a limiting factor for growth in the community and for its continued revitalization.

Mr. Tompkins further noted that in November of 2013, in order to provide the City of Rome with a safe and sustainable water supply, Governor Cuomo announced a major water/sewer infrastructure improvement program which subsequently became known as Rome H2O and offered a grant of up to \$8,500,000 from the Economic Transformation Program towards the endeavor.

Mr. Tompkins added that this project has its planning and permitting in place and that it is set to begin now that the good weather has arrived.

Mr. Tompkins further noted that the anticipated completion date is December 2016.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

The Acting Chair then noted that the project was originally authorized in the 2013-2014 budget, and reappropriated subsequently so it is good to see the work will be starting shortly.

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:

City of Rome (Mohawk Region – Oneida County) – Rome H2O Capital – Economic Transformation Program (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

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 Rome H2O 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 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, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to City of Rome a grant for a total amount not to exceed Eight Million Five Hundred Thousand Dollars (\$8,500,000) 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 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that the President and Chief Executive Officer Designate 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 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.

\* \* \*

City of Rome (Mohawk Region – Oneida County) – Rome H2O Capital – Economic Transformation Program (Capital Grant) – Determination of No Significant Effect on the Environment

---

RESOLVED, that based on the material submitted to the Directors with respect to the Rome H2O Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Acting Chair Zemsky then asked Mr. Tazewell, the Director of ESD's New York City Regional Office, to present the E. Gluck Economic Development Fund item for the Directors' consideration.

Mr. Tazewell provided the relevant background information with regard to this item noting that the Directors were being asked to authorize ESD to make a \$500,000 grant to the Company to be used for a portion of the cost of the purchase of machinery and equipment in connection with a relocation, renovation and expansion project in Little Neck, Queens.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Tazewell explained that the Company, which was founded in 1956, designs and manufacturers watches that are marketed and sold under various brands including Armitron, Sprout, Anne Kline and Nine West.

Mr. Tazewell further explained that prior to relocating to Little Neck, E. Gluck was based in a 240,000 square foot space in Long island City leased to it by the City University of New York (“CUNY”).

Mr. Tazewell added that as CUNY needed additional classroom space at its LaGuardia Community College Campus, the Company was required to find another location.

Mr. Tazewell further explained that in the Spring of 2013, the Company approached ESD regarding possible incentives to retain its presence in New York State as it was considering relocating to New Jersey and ESD responded by offering the Company a \$500,000 grant as well as a \$2.5 million Excelsior Tax Credit package.

Mr. Tazewell further explained that the Company has expanded an existing facility and has purchased new machinery and equipment so the project is largely completed. He added that the Company moved into the new space in December of last year.

Mr. Tazewell went on to note that in addition to retaining 348 existing jobs, the Company has committed to creating 80 new jobs. He added that the Company has already

**DRAFT – SUBJECT TO REVIEW AND REVISION**

created 33 of those new jobs.

Following the full presentation, the Acting Chair called for questions and comments. Director Miller asked if the new jobs were manufacturing jobs and Mr. Tazewell stated that they are manufacturing jobs.

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

Little Neck (New York City Region – Queens County) – E. Gluck 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 E. Gluck 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 E. Gluck Corporation 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 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.

\* \* \*

Little Neck (New York City Region – Queens County) – E. Gluck Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

---

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

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Filler then asked the Directors to authorize ESD to make two grants totaling \$500,000 in connection with the ESD Craft Beverage Grant Program.

Mr. Filler first provided a brief overview of the program and noted that today's grants will be provided through the Craft Beverage Marketing Match Program. He then briefly outlined each of the two projects.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted (It was noted for the record that Director Adams recused himself from voting on the grant to the Brooklyn Alliance.):

Statewide – Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grants) – Findings and Determination Pursuant to Section 10(g) of the Act; Authorization to Make Grants and to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grants) (the “Projects”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the areas of the Projects; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant for up to a total amount not to exceed (\$500,000) from Open For Business for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

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

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

\* \* \*

Next, Mr. Conoscenti presented the Victoria Theater Land Use Improvement and Civic Project item for the Directors' consideration.

Mr. Conoscenti explained that the Directors were being asked to authorize ESD to make grants totaling \$4,000,000 and a loan of up to \$5,000,000 to 233 West 125<sup>th</sup> Street Danforth LLC (the "Company").

Mr. Conoscenti provided the relevant background information with regard to the project, noting in part that, the Harlem Community Development Corporation ("HCDC") accepted and ESD adopted the General Project Plan in 2012. He added that the Modified General Project Plan was affirmed by both HCDC and ESD in 2013.

Mr. Conoscenti further explained that in accordance with the Modified General Project Plan, the mixed-use project will include approximately 385,000 square feet, including a 208 room hotel, 192 units of affordable and market rate residential rental apartments as well as commercial and cultural arts space.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Conoscenti further explained that the Company is responsible for preserving and restoring or referencing historic elements of the building.

Following the full presentation, the Acting Chair called for any questions or comments. Director Miller asked why the project was coming before the Directors at this time and Mr. Conoscenti stated that ESD is very close to signing a lease for the project to allow the work that is needed to begin. He noted that such work includes asbestos abatement and demolition.

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

Victoria Theater Land Use Improvement and Civic Project– Regional Council Capital Fund Grant, Downstate Revitalization Fund Capital Grant and Metropolitan Economic Revitalization Fund Capital Loan – Affirmation of Finding Pursuant to Section 10(g) of the New York State Urban Development Corporation Act; Authorization to Make a Loan and 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 Victoria Theater Land Use Improvement and Civic Project – Regional Council Capital Fund Grant, Downstate Revitalization Fund Capital Grant and Metropolitan Economic Revitalization Fund Capital Loan, the Corporation hereby affirms the findings 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 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 loan and grants, the approval of the loan and grants 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 233 West 125<sup>th</sup> Street Danforth, LLC a loan for a total amount not to exceed Five Million Dollars (\$5,000,000) from the Metropolitan Economic

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Revitalization Fund and grants for a total amount not to exceed Four Million Dollars (\$4,000,000) from the Regional Council Capital Fund and the Downstate Revitalization 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.

\* \* \*

Mr. Tompkins then asked the Directors to authorize ESD to make a \$3,100,000 grant to the Fort Schuyler Management Corporation to be used for a portion of the cost of construction of Phase 1B of the Computer Chip Commercialization Center adjacent to the SUNY Institute of Technology.

Among other things, Mr. Tompkins explained that Phase B focuses on the completion of a 253,000 square foot facility that will contain flexible space including clean rooms and laboratories for the purpose of helping to promote research, development and the production of semiconductor products.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

Director Miller asked if this was the final phase and Mr. Tompkins stated that this is the final phase as of now. He added that because of the success of the Center, it is very possible that there will be additional phases in the future.

In a further discussion, Mr. McLeary noted that later in the Agenda, additional funding will be considered to fit out the building to accommodate actual tenants who will occupy the Quad C Building.

Director Miller asked if tenants have been identified. Mr. McLeary stated that tenants have not been identified at this point. He added that Quad C and Fort Schuyler Management Corp. have been working with a consortium of academia, as well as professionals, to identify tenants in the future.

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

Regional Council Award – Priority Project - Marcy (Mohawk Valley Region – Oneida County) – Fort Schuyler Management Corporation – Quad C Phase 1B 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 Fort Schuyler Management Corporation – Quad C Phase 1B Capital – Regional Council Capital Grant (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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Fort Schuyler Management Corporation a grant for a total amount not to exceed Three Million One Hundred Thousand Dollars (\$3,100,000) 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.

\* \* \*

Next, Mr. Fayle presented the Cayuga Marketing item for the Directors' consideration.

Mr. Fayle explained that the Directors were being asked to authorize ESD to make a \$2,500,000 grant to Cayuga Marketing, LLC to be used for a portion of the cost of the purchase

**DRAFT – SUBJECT TO REVIEW AND REVISION**

of machinery and equipment in connection with the construction of a new dairy processing facility.

Mr. Fayle provided the relevant background information with regard to this request and noted that the plant became fully operational in January of 2015. He added that the project will create 52 jobs and retain 55 jobs.

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

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

Regional Council Award – Aurelius (Central New York Region – Cayuga County) – Cayuga Marketing Capital – Regional Council Capital 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

---

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 Cayuga Marketing 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Cayuga Marketing, LLC a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Regional Council Award – Aurelius (Central New York Region – Cayuga County) – Cayuga Marketing Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

---

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

\* \* \*

Next, Ms. Palmer, the Director of ESD’s Southern Tier Regional Office, presented the Corning Museum of Glass (the “Museum”) item for the Directors’ consideration.

Ms. Palmer noted that the Directors were being asked to authorize ESD to make a

**DRAFT – SUBJECT TO REVIEW AND REVISION**

\$1,500,000 grant to the Museum to be used for a portion of the cost of a facility expansion.

Ms. Palmer explained that the facility expansion will promote international visitors and inter-regional travel throughout New York State.

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

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

Regional Council Award – Priority Project — Corning (Southern Tier Region – Steuben County) – Corning Museum of Glass 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 Corning Museum of Glass 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, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Corning Museum of Glass a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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—Corning (Southern Tier Region –Steuben County) – Corning Museum of Glass Capital – Regional Council Capital Fund (Capital Grant)—Determination of No Significant Effect on the Environment

---

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

\* \* \*

The Directors were then asked by Mr. Greenspan, representing ESD's Long Island Regional Office, to authorize ESD to make two grants totaling \$2,000,000 to Hofstra University to be used for a portion of the cost of construction, renovations, and the purchase of machinery and equipment.

Among other things, Mr. Greenspan explained that this project is focused on increasing

**DRAFT – SUBJECT TO REVIEW AND REVISION**

engineering graduates on Long Island.

Mr. Greenspan noted that Hofstra University's School of Engineering and Applied Science has invested \$5 million to create two unique and distinct engineering and teaching facilities at their Hempstead Nassau County Campus.

With these two new facilities, Mr. Greenspan stated, they are able to offer new curriculum in big data coursework, enabling students to learn how to process unprecedented amounts of data at high speeds.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller noted that it may be prudent to market this type of high tech initiative in this area similar to the publicity the State provides to projects of this type in New York City.

Director Miller then asked how many students are local and how many are from out of State. Mr. Greenspan stated that he did not have that information immediately available but that he would follow up and provide it to her as soon as possible.

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

Regional Council Award – Priority Project - Hempstead (Long Island Region – Nassau County) – Hofstra University Labs Capital I & II – 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Hofstra University Labs Capital I & II -- Regional Council Capital Fund – (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 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, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Hofstra University a grant for a total amount not to exceed two million Dollars (\$2,000,000) from the Regional Council Capital Fund – (Capital Grant), 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 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 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.

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. VanDeLoo then asked the Directors to authorize ESD to make a \$1,000,000 grant to Jefferson County to be used for a portion of the cost of construction in connection with the Watertown Airport Business Center project.

Mr. VanDeLoo explained that the total project cost is \$1,200,000 with a \$1,000,000 grant from ESD. He added that the new facility provides a more extensive and modern facility for airport business operation and a new space for business use and traveler comfort.

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

Regional Council Award – Priority Project – Dexter (North Country Region – Jefferson County) – Watertown Airport Business Center Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions.

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Watertown Airport Business 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 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 of the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 a grant to Jefferson County 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.

\* \* \*

Regional Council Award – Priority Project – Dexter (North Country Region – Jefferson County) – Watertown Airport Business Center Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

---

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

\* \* \*

Next, Mr. VanDeLoo asked the Directors to authorize ESD to make a \$500,000 grant to the City of Watertown to be used for a portion of the cost of construction/renovation and architectural engineering in connection with the construction of the wastewater disinfecting

**DRAFT – SUBJECT TO REVIEW AND REVISION**

facility improvements.

Mr. VanDeLoo explained, among other things, that the project provides for enhanced quality of life for the community with an improved wastewater system for health and safety and provides for future growth opportunities.

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

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

Regional Council Award - Clayton (North Country Region – Jefferson County) – Watertown Wastewater Improvements 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 Watertown Wastewater Improvements – Regional Council Capital Fund Capital Project (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 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, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them

**DRAFT – SUBJECT TO REVIEW AND REVISION**

hereby is, authorized to make to City of Watertown 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 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.

\* \* \*

Lastly, Mr. VanDeLoo asked the Directors to authorize ESD to make a \$500,000 grant to the Village of Clayton to be used for a portion of the cost of construction in connection with the installation of a new pump station and related sewer system improvements.

Mr. VanDeLoo explained that the total project cost was \$4.6 million and that the project provides for an enhanced quality of life for the community with an increased wastewater system for health and safety and provides for future growth and job creation.

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:

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Regional Council Award - Clayton (North Country Region – Jefferson County) – Clayton Pump Station Improvements Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Clayton Pump Station Improvements – 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 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 Village of Clayton 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 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

\* \* \*

Mr. Hurley, representing ESD's Finger Lakes Regional Office, presented an item related to the Rochester Institute of Technology ("RIT").

Mr. Hurley explained that the Directors were being asked to authorize ESD to make a \$400,000 grant to RIT to be used for a portion of the cost of construction and the purchase of machinery and equipment in connection with the construction and equipping of a low humidity "dry room" for development of new battery prototypes.

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

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

Regional Council Award - Henrietta (Finger Lakes Region – Monroe County) – Rochester Institute of Technology Dry Room Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Rochester Institute of Technology Dry Room 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Rochester Institute of Technology a grant for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) 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 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.

\* \* \*

Ms. Baquerizo presented the Market New York Consent Calendar item for the Directors' consideration.

Ms. Baquerizo explained that the Directors were being asked to authorize ESD to make a \$25,000 grant to The Geva Theatre Center to be used for tourism marketing through various regions in New York State.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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:

Statewide – Market NY Grant Program – Regional Tourism Marketing Competition –  
Market New York (Working Capital Grant) – 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 Market NY Grant Program- Regional Tourism Marketing Competition (the “Project”) – Market New York Program and Economic Development Purposes Fund (Working Capital Grants), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the areas of the Projects; and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant for up to a total amount not to exceed (\$25,000) from the Market New York 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 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 of the Corporation or his designee(s) be, and each of them hereby is, authorized, subsequent to the making of the grants, to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

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

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

\* \* \*

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

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

Nano Utica - 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 the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the amended 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 grants to the party and for the amount listed below from Nano Utica, 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

Nano Utica – Executive - Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Fort Schuyler Management Corporation – Quad C Phase 1B Capital	Y729	Fort Schuyler Management Corporation	\$180,000,000
			<b>TOTAL</b>	<b>\$180,000,000</b>

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.

\* \* \*

Local Assistance – Findings and Determinations Pursuant to Section 10(g) of the Act;  
Authorization to Make a Grant and to Take Related Actions;

---

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

Local Assistance – Senate – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	Local Assistance			
B	SCIDA – Finger Lakes Technologies Capital	Y041	Seneca County Industrial Development Agency	300,000
			<b>TOTAL</b>	<b>\$300,000</b>

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

\* \* \*

Next, Mr. Keil asked the Directors to authorize ESD to make a \$600,000 investment of New York State Innovation Venter Capital Funds in the Paper Battery Company. Mr. Keil provided the relevant background information with regard to this request.

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

New York State Innovation Venture Capital Fund - Authorization of an investment of NYSIVCF funds in Paper Battery Company.

---

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 \$600,000, in Paper Battery Company (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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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.

\* \* \*

Next, Mr. Keil asked the Directors to authorize ESD to enter into agreements for Program Funding and further to authorize the disbursement of funds in connection with the NYS Innovation Venture Capital Fund's Technology Commercialization and pre-Seed Company Investment Program.

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:

Statewide – NYS Innovation Venture Capital Fund's Technology Commercialization and Pre-Seed Company Investment Program - Authorization to Enter into Agreements for Program Funding; Authorization to Disburse Funds; and Authorization to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is

**DRAFT – SUBJECT TO REVIEW AND REVISION**

hereby ordered filed with the records of the Corporation (the “Materials”), relating to the NYS Innovation Venture Capital Fund program (the “Program”), the Corporation is authorized to enter into agreements and related documentation with the entities named in the Materials, or their affiliates, in order to provide Program funding in accordance with the Materials; and be it further

RESOLVED that the disbursement of Program funding for this set of awards covering the Downstate NY Regions shall not to exceed in aggregate \$3,000,000; 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, to take such actions and make such modifications to the terms for such agreements and documentation as he or she may deem necessary or appropriate; and be it further

RESOLVED, that the provision by the Corporation 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.

\* \* \*

Next, Ms. Shatz asked the Directors to authorize ESD to amend its contract with STV Inc. to provide environmental consulting services in connection with the disposition of two non-contiguous parcels of undeveloped land within the Brooklyn Development Center in Brooklyn, New York.

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:

**DRAFT – SUBJECT TO REVIEW AND REVISION**

New York (Kings County) – Authorization to Amend the Contract with STV Incorporated to Provide Environmental Consulting Services in Connection with Disposition of Two Non-Contiguous Parcels of Undeveloped Land Within the Brooklyn Developmental Center in Brooklyn, NY and to Take Related Actions

---

RESOLVED, that based upon the materials presented at this meeting and ordered filed with the records of the Corporation, the Corporation be, and hereby is, authorized to amend its existing contract with STV, Inc. to provide additional environmental consulting services in connection with the disposition of two non-contiguous parcels of undeveloped land within the Brooklyn Developmental Center; and be it further

RESOLVED, that the Corporation is hereby authorized to amend a contract with STV, Inc. in a total amount not to exceed \$996,600, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the Corporation or Counsel consistent with this authorization are hereby ratified and affirmed.

\* \* \*

Mr. Salway then asked the Directors to authorize ESD to enter into a contract with NYSTEC to assist the Broadband Program Office with Project Management and Technical Assistance for a number of broadband related projects.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter Into a Contract with NYSTEC to Provide Industry Expertise to Assist the Broadband Program Office with Project Management and Technical Assistance for a Number of Broadband Related Projects

---

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the “Materials”), the Corporation hereby finds NYSTEC to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with NYSTEC in an amount not to exceed \$541,137, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

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

\* \* \*

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

Respectfully submitted,

Eileen McEvoy  
Corporate Secretary

FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Officer of the Corporation

REQUEST FOR: Appointment of Chief of Staff & Chief Operating Officer

---

BACKGROUND

It is proposed that the individual named and described below be appointed to the office indicated.

Mehul Patel

Chief of Staff & Chief Operating Officer

It is proposed that Mr. Mehul Patel be appointed to the new, combined Office of Chief of Staff and Chief Operating Officer. Mr. Patel's appointment would be effective as of April 10, 2015.

Mr. Patel currently serves the Corporation as Chief of Staff to the President & CEO. In that capacity, Mr. Patel's responsibilities include: leading internal and inter-agency teams focused on developing and implementing economic development policy and projects to increase New York State's competitiveness; overseeing high-priority projects; formulating strategies for ESD business lines; supervising senior staff; overseeing the activities of ESD subsidiaries and affiliates, including the New York Job Development Authority; assisting the Regional Offices and Strategic Business Division with developing incentive packages to attract and retain companies; and managing the policy and public affairs divisions.

In his new position, Mr. Patel will focus broadly on the day-to-day operations for ESD, and will provide oversight and support to various divisions, including Real Estate Development & Subsidiaries; Public Affairs & Strategic Initiatives; Public Policy, Planning & Incentives; Business Attraction & Expansion; State Marketing Strategy; and Small Business Services. Mr. Patel was preceded in the office of Chief Operating Officer by Mr. Charles Imohiosen, who is now serving the administration as the Senior Vice President for Planning at the Lower Manhattan Development Corporation, an ESD subsidiary.

Mr. Patel joined ESD in April 2008 as Vice President of our subsidiary, Moynihan Station Development Corporation, where he worked with public and private stakeholders to expand Penn Station into the historic James Farley Post Office Building. Before joining ESD, Mr. Patel was Senior Project Manager at The Hudson Companies and, prior to that, he serves as Senior Analyst at HR&A Advisors where he advised on various real estate and economic development issues, including Brooklyn Bridge Park and the Staten Island Fresh Kills Park Master Plan.

REQUESTED ACTION

The Directors are requested to approve the appointment of Mr. Mehul Patel to the office of Chief of Staff & Chief Operating Officer effective April 10, 2015; to confirm him as an officer of the Corporation within the meaning of the indemnification provisions of the Corporation's bylaws; and to ratify any and all actions taken by him since his nomination to this position on April 10, 2015.

ATTACHMENT

Resolutions

May 18, 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE  
DEVELOPMENT – Appointment of Officer – Chief of Staff & Chief Operating Officer

---

BE IT RESOLVED, that the following individual be, and he hereby is, appointed to the office which appears opposite his name, until his earlier resignation or removal, such appointment to be effective as of April 10, 2015:

<u>NAME</u>	<u>OFFICE</u>
Mehul Patel	Chief of Staff & Chief Operating Officer

and be it further

RESOLVED, that in accordance with and for all the purposes of the New York State Urban Development Corporation (the "Corporation") Act and the bylaws of the Corporation, including but not limited to the indemnification provisions thereof, the foregoing individual is an "officer" of the Corporation; and be it further

RESOLVED, that any and all actions taken by the foregoing individual since his nomination to the office identified herein be and hereby are ratified as the acts and deeds of the Corporation.

\* \* \*



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Buffalo (Western New York Region – Erie County) – Buffalo Harbor State Park Capital – Buffalo Regional Innovation Cluster (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: New York State Office of Parks, Recreation, and Historic Preservation (“OPRHP”)

ESD\* Investment: A grant of up to \$10 million to be used as reimbursement for a portion of design and construction costs.

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

Project Location: 1111 Fuhrmann Boulevard, Buffalo, Erie County

Proposed Project: Capital improvements to the newly-established Buffalo Harbor State Park (the “Park”)

Project Type: Tourism and Recreation

Regional Council: The Western New York (“WNY”) Regional Economic Development Council (“REDC”) oversees the implementation of the Buffalo Billion Investment Development Plan. This project is part of the Buffalo Billion Initiative to enhance the development of downtown Buffalo and demonstrates New York State’s commitment to revitalize the tourism economy of the WNY Region.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Design Costs	\$1,118,000
Construction & Infrastructure Improvements	<u>\$13,882,000</u>
<b>Total Project Costs</b>	<b><u>\$15,000,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$10,000,000	67%
Grantee-Equity*	<u>5,000,000</u>	<u>33%</u>
<b>Total Project Financing</b>	<b><u>\$15,000,000</u></b>	<b><u>100%</u></b>

\*Equity consists of OPRHP/NY Works capital funding.

III. Project Description

A. Grantee

Industry: OPRHP is responsible for administration of 325,000 acres of state park and recreational facilities throughout New York State, including the 400-acre Niagara Falls State Park, the nation’s oldest state park. In Niagara County alone, OPRHP generates approximately \$480 million annually in tourism.

Grantee History: OPRHP was created in 1972 as a result of passage of the New York State Parks, Recreation, and Historic Preservation Law. In addition to being responsible for administration of a statewide system of parks/historic sites, the agency owns several components of the State Parkway System.

ESD Involvement: In May 2014, Governor Cuomo officially designated the newly-established Buffalo Harbor State Park after transfer of 340 acres of Niagara Frontier Transportation Authority owned land to Erie Canal Harbor Development Corporation (“ECHDC”), a subsidiary of Empire State Development. The Park will be the 180<sup>th</sup> New York State park, the first

within in the City of Buffalo (“City”), and is expected to propel the revitalization of the City’s waterfront. OPRHP will operate and maintain the Park and an OPRHP concessionaire, Safe Harbor Development (Knoxville, TN), will operate and maintain the adjacent Small Boat Harbor Marina.

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
Buffalo Regional Innovation Cluster	Y511	\$1,500,000	July 18, 2013	December 31, 2016	Capital Grant – Consultant costs related to design of the Robert Moses Parkway and Entry Road reconstruction to Niagara Falls State Park

**B. The Project**

Completion: June 2018

Activity: The \$15 million project involves transformation of approximately 190 acres of largely vacant land on Buffalo’s Outer Harbor into the City’s first New York State park. The Park improvements will include construction of a destination playground, two picnic pavilions, and a stage area; upgrade and installation of electric and water utilities; storm water and utility infrastructure upgrades; rehabilitation of the boat harbor breakwater and revetment; extension of the bike path; and design/placement and construction of comfort stations and parking lots.

Results: The project will create recreation and entertainment amenities spurring tourism and future development in and around the City’s long underutilized waterfront. Amenities will include green space, boat launches, fishing stations, and public restrooms. An \$11.3 million redevelopment of adjacent Ohio Street is currently underway and will complement the project by strengthening an essential link between Buffalo’s Inner and Outer Harbors.

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 \$968,872;
- Fiscal cost to NYS government is estimated at \$15,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.06:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,694,076;
- Fiscal cost to all governments is \$15,000,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.11:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$12,780,057;
- The economic benefit to cost ratio is 0.85:1;
- Project construction cost is \$15,000,000 which is expected to generate 139 direct job years and 89 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: Ms. Mindy Scott  
Deputy Commissioner for Finance and Administration  
625 Broadway  
Albany, NY 12238  
Phone: (518) 474-0414

ESD Project No.: Z340

Project Team:	Origination	Angela Rossi
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Geraldine Ford
	Design & Construction	Dennis Conroy
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be 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 Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$10,000,000 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 of the project. 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 March 1, 2014, to be considered eligible project costs. All disbursements must be requested by December 31, 2018.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$10,000,000 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.

IV. Statutory Basis – Buffalo Regional Innovation Cluster

The project was authorized in the 2014-2015 New York State budget and re-appropriated 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

ESD's Design and Construction ("D&C") shall participate and monitor all design and construction activities in conjunction with OPRHP and various regulatory agencies. D&C will attend project

meetings, monitor/review and approve all monthly requisitions, change order requests, contingency use and progress schedule to ensure timely completion of the work. D&C will monitor the construction and site supervision at its option, and authorize payment/reimbursements and the final closeout/retainage payment when all of its requirements have been met.

VI. Environmental Review

OPRHP 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, which was coordinated with ESD as an involved agency, 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 27, 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.

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: (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%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 20% and a Women Business Enterprise ("WBE") Participation Goal of 15% 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  
Project Photographs  
Benefit-Cost Analysis

May 18, 2015

Buffalo (Western New York Region – Erie County) – Buffalo Harbor State Park Capital – Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New York State Office of Parks, Recreation, and Historic Preservation a grant for a total amount not to exceed Ten Million Dollars (\$10,000,000) from the Buffalo Regional Innovation Cluster, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

\* \* \*

May 18, 2015

Buffalo (Western New York Region – Erie County) – Buffalo Harbor State Park Capital –  
Buffalo Regional Innovation Cluster (Capital Grant) – Determination of No Significant  
Effect on the Environment

---

RESOLVED, that based on the material submitted to the Directors with respect to the Buffalo Harbor State Park Capital – Buffalo Regional Innovation Cluster (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/RiverBend Park Capital – Buffalo Regional Innovation Cluster (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: Fort Schuyler Management Corporation (the “FSMC”) on behalf of the State University of New York (“SUNY”) College of Nanoscale Science and Engineering (the “CNSE”)

Beneficiary

Companies: SolarCity Corporation (“SolarCity”)  
Possible additional beneficiaries to be identified in the future

ESD\* Investment: A grant of \$125 million to be used for construction costs.

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

Project Location: Riverbend Park, South Park Avenue, Buffalo, Erie County

Proposed Project: Establish the Buffalo High-Tech Manufacturing Innovation Hub at RiverBend Park (“RiverBend”)

Project Type: Business attraction

Regional Council: The Western New York (“WNY”) Regional Economic Development Council oversees the implementation of the Buffalo Billion Investment Development Plan. This project is part of Governor Cuomo’s Buffalo Billion Initiative to promote advanced technology, manufacturing and smart growth; increase highly-skilled jobs; and maintain and attract young people to the WNY Region.

Employment Goals: Initial employment at time of application to ESD: 0  
 Current employment level: 0  
 Projected employment on January 1, 2020: 3,000\*

\* Employees will be on the Beneficiaries’ payroll including SolarCity, Silevo, and possible additional beneficiaries to be named in the future.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction Costs	<u>\$125,000,000</u>	
 Total Project Costs	 <u>\$125,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant (Z733)	<u>\$125,000,000</u>	<u>100%</u>
 Total Project Financing	 <u>\$125,000,000</u>	 <u>100%</u>

III. Project Description

A. Grantee

Industry: Real Estate Development

Company History: Authorized by Chapter 530 of the Laws of 2010, FSMC was formed by the State University of New York Research Foundation, in partnership with the State University of New York Polytechnic Institute (“SUNY Polytechnic”) to facilitate nanotechnology and semiconductor development. FSMC is authorized to purchase, construct, develop and manage facilities co-located with the SUNY Polytechnic educational campus at the SUNY Polytechnic Marcy Technology Complex as well as ground sub-lease the property west of Edic Road constituting the Marcy Nanocenter project to Mohawk Valley Economic Development Growth Enterprises (“EDGE”) to attract nanomanufacturing operations by a commercial partner.  
 The CNSE is a global education, research, development, and technology

deployment resource dedicated to preparing the next generation of scientists and researchers in nanotechnology. Since its inception in 2004, it has been leveraging its resources in partnership with business and government to support accelerated high technology education and commercialization, and seeks to create jobs and economic growth for nanotechnology-related industries.

Ownership: The Grantee is a not-for-profit organization.

Market: Worldwide advanced technology industries

ESD Involvement: In November 2013, the Governor announced a \$225 million award from the Buffalo Billion Initiative for RiverBend, a \$1.7 billion public and private-sector partnership to convert a vacant former manufacturing site into a 280,000-square-foot state-of-the-art hub campus for high-tech and green energy manufacturing businesses, strategically located in a newly-developed “smart growth” urban commerce park with multi-modal transportation opportunities. Initially, two California-based clean energy companies, Soraa and Silevo, Inc. (“Silevo”) would serve as the anchor tenants by relocating major parts of their respective operations to Buffalo.

In June 2014, one of the initial anchor tenants, Silevo, a manufacturer of hybrid solar cells, merged with and became a wholly-owned subsidiary of SolarCity (San Mateo, CA). SolarCity, the nation’s largest rooftop solar power provider, notified ESD of its intent to triple the initial RiverBend project, constructing a 1.2-million-square-foot facility to house the largest solar panel factory in the Western Hemisphere. In September 2014, the Governor announced an additional \$125 million award (cumulative \$350 million) for the expanded project, which is anticipated to result in a \$5 billion private investment over the next ten years. Once fully constructed, RiverBend is expected to house multiple industry-related companies. Solar Frontier (Japan) has already expressed an interest in establishing a solar modules facility at RiverBend, as well as a North American headquarters at SUNY Polytechnic Institute (Utica, NY).

A \$118 million award was approved by the ESD Directors in March 2014 to reimburse FSMC for planning/design costs and machinery and equipment acquisition, and \$107 million was approved in June 2014 to reimburse FSMC for real estate acquisition, site and infrastructure development, and facility construction. This request represents Governor Cuomo’s pledge to provide an additional \$125 million to reimburse FSMC for real estate acquisition and facility construction.

Past ESD Support: Over the past five years, funding to the Grantee is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Local Assistance	V062	\$2,250,000	October 2009 (\$4M was originally awarded to EDGE in May 2007)	May 2011	Working Capital Grant – Advanced rent payment to FSMC for the 15-year ground lease of the Marcy Nanocenter site by EDGE.
New York State Economic Development Assistance Program	W277	\$1,300,000	November 2009 (\$10M was originally awarded to EDGE in September 2008)	March 2013	Capital Grant – \$1.3 M for design and construction of the 300mm wafer clean room for the Computer Chip Commercialization Center ("Quad C").
Economic Transformation Program	X812	\$15,000,000	November 2003	December 2014	Capital Grant – Construction of the 253,000-square-foot Quad C.
State and Municipal Facilities Program	Y728	\$20,000,000	January 2014	December 2014	Capital Grant – Purchase and install new advanced technology semiconductor packaging equipment and construction of the Quad C.
Buffalo Regional Innovation Cluster	Y365	\$50,000,000	March 2014	December 2019	Capital Grant – Real estate and equipment acquisition to establish the Buffalo Medical Innovation and Commercialization Hub.
	Y962	\$118,000,000	March 2014	December 2019	Capital Grant – Design and planning costs and new machinery and equipment to establish the Buffalo High-Tech Manufacturing Innovation Hub at RiverBend Park.

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Buffalo Regional Innovation Cluster	Z328	\$107,000,000	June 2014	December 2019	Capital Grant – Real estate acquisition, site and infrastructure development, and construction costs to establish the Buffalo High-Tech Manufacturing Hub at RiverBend Park.
	Z254	\$55,000,000	June 2014	December 2019	Capital Grant – Real estate acquisition and renovation and the acquisition and installation of new equipment and software to establish the Buffalo Information Technologies Innovation and Commercialization Hub.
Regional Council Capital Fund	Z054	\$3,100,000	April 2015	December 2019	Capital Grant – Construction and fit-out of the Quad C
Nano Utica	Y729	\$180,000,000	April 2015	December 2019	Capital Grant – Construction and fit-out of the Quad C

**B. Beneficiary – SolarCity**

**Industry:** SolarCity designs and installs solar energy systems, performs energy efficiency audits and retrofits, and builds charging stations for electric vehicles.

**History:** SolarCity was established by two brothers in 2006 and is now the nation's largest solar provider. In 2014, SolarCity acquired Silevo, a manufacturer of hybrid solar cells which convert solar energy into electricity, known as photovoltaic applications, ultimately used in high-performance, low cost solar panels. Silevo maintains California headquarters, but will produce its revolutionary Triex solar cell, a hybrid technology with high voltage, long lifespan, excellent junction quality, and temperate efficiency, at RiverBend.

**Ownership:** The Company is privately owned.

**Size:** SolarCity serves customers in 15 states with over 45 operations centers

across the U.S. and has over 6,000 employees.

**Market:** SolarCity makes clean solar energy available to homeowners, businesses, schools, and other organizations at a lower cost compared to fossil fuel energy.

C. The Project

**Completion:** Q3 2016

**Activity:** The \$125 million project involves construction of an approximate 1.2-million-square-foot, tenant-ready, photovoltaic panel manufacturing facility.

The real estate was acquired in 2014 and site/infrastructure improvements to the site and facility construction are currently underway. As of May 2015, a majority of the manufacturing facility was under construction with over half of the 6,000 pile foundations drilled and placed to support a high-bay steel structure and concrete slabs on grade. Site utility and rough-in plumbing systems for venting and drainage are currently being installed and framing for the Central Utility Building (CUB) is proceeding as planned. The roofing system has been bid with placement of an LEED approved system underway. Core and shell systems are approaching 100% design and will be bid by summer 2015. The facility is expected to be enclosed by winter 2015; tool equipment installation and start-up planned for fall 2016; and full production capacity expected by the first quarter of 2017.

FSMC will own the property and real estate improvements. SolarCity, through its wholly owned subsidiary, Silevo, will establish and operate a development, manufacturing, and commercialization gigafactory facility with the annual capacity to produce enough solar panels to generate 1,000 megawatts of electricity. The newly-constructed 1.2-million-square foot building will include 850,000 square feet of manufacturing space; 100,000 square feet of office space; and 250,000 square feet to house specialized green-technology equipment including a water purification plant capable of treating water to 1 micron of impurity; a wastewater treatment operation to recycle approximately 75% of wastewater which will be reused by RiverBend operations; and electrical, chemical, and industrial gas storage. Solar panels will be incorporated throughout the facility's 850-space parking lot and greenspace areas.

**Results:** The project is anticipated to establish Buffalo as a nexus for advanced research and manufacturing for clean energy technologies thereby attracting businesses, including suppliers and servicing companies, from

around the world; promote smart growth by transforming a vacant manufacturing site in a distressed area that was previously owned by Republic Steel into a vibrant hub of technology; spur adjacent private-sector investment for consumables, amenities, and services; increase demand for local housing; and attract and retain people to the WNY Region by providing highly-skilled and unskilled employment opportunities; and result in an approximate \$5 billion private investment by the Beneficiaries over the next ten years.

Although there is no job creation or retention requirements for this project, this effort is expected to create more than 3,000 permanent jobs in Buffalo and 2,000 elsewhere in the state with annual salaries ranging from \$45,000 to \$90,000. In the event that the Beneficiaries are unable to meet their commitments, the real estate and equipment will remain the property of the state through FSMC

SolarCity is expected to offer solar energy systems at a reduced cost due to high volume production.

#### 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 \$8,073,934;
- Fiscal cost to NYS government is estimated at \$125,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.06:1;
- Fiscal benefits to all governments (state and local) are estimated at \$14,117,302;
- Fiscal cost to all governments is \$125,000,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.11:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$106,500,471;
- The economic benefit to cost ratio is 0.85:1;

- Project construction cost is \$125,000,000 which is expected to generate 1,161 direct job years and 741 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. Scott Bateman, Assistant Treasurer  
 257 Fuller Road  
 Albany, NY 12203  
 Phone: (518)437-8689

ESD Project No.: Z733

Project Team:	Origination	Christina Orsi
	Project Management	Jean Williams
	Legal	Steve Gawlik
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Design & Construction	Dennis Conroy
	Environmental	Soo Kang

D. 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 disbursement.
3. Up to \$125 million will be deposited into an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. Funds from the Imprest Account will be used during the course of site and infrastructure development and facility construction. ESD shall be provided with copies of all account statements and reports in accordance with the reporting requirement. Interest earned on the funds deposited in the Imprest Account must be returned to ESD quarterly.

Funds will be deposited in the Imprest Account in three installments as follows:

- a) An Initial Disbursement of \$60 million will be deposited as an advance in the Imprest Account upon ESD's receipt of an invoice and other documentation as

ESD required. The Grantee may, no more frequently than monthly, seek authorization to release funds from the Imprest Account to pay for invoices due and payable during the course of site and infrastructure development and facility construction, in compliance with ESD Design and Construction Requirements, assuming all project approvals have been completed and funds are available. Each subsequent disbursement request from the Imprest Account will include the current month's invoices and proof of payment for invoices submitted for the previous month.

- b) A Second Disbursement of \$60 million will be deposited as an additional advance in the Imprest Account upon full documentation of eligible expenditures of at least 75% of the Initial Disbursement (\$45 million). The Grantee may, no more frequently than monthly, seek authorization to release funds from the Imprest Account to pay for invoices due and payable during the course of site and infrastructure development and facility construction, in compliance with ESD Design and Construction Requirements, assuming all project approvals have been completed and funds are available. Each subsequent payment requisition will include the current month's invoices and proof of payment for invoices submitted for the previous month.
- c) A Final Disbursement of \$5 million will be deposited as an additional advance in the Imprest Account upon full documentation of eligible expenditures of 100% of the First Disbursement and at least 75% of the Second Disbursement (\$90 million cumulative). The Grantee may, no more frequently than monthly, seek authorization to release funds from the Imprest Account to pay for invoices due and payable during the course of site and infrastructure development and facility construction, in compliance with ESD Design and Construction Requirements, assuming all project approvals have been completed and funds are available. Each subsequent payment requisition will include the current month's invoices and proof of payment for invoices submitted for the previous month.

Payments 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 September 23, 2014 to be considered eligible project costs. All disbursements must be requested by April 1, 2019.

Within 12 months of the Final Disbursement, ESD will require full documentation of eligible expenditures including invoices and proof of payment of 100% of the Initial Disbursement, Second Disbursement, and Final Disbursement (\$125 million cumulative).

- 4. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee to vendors by June 30, 2019.
- 5. There is no recapture based on the created jobs.
- 6. ESD may reallocate the project funds to another form of assistance, at an amount no

greater than \$350 million (the cumulative ESD contribution approved to date) 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 – Buffalo Regional Innovation Cluster

The project was authorized in the 2014-2015 New York State budget and re-appropriated 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

ESD's Design & Construction ("D &C") staff will review the Project Plan, Scope, Budget/Design Development Estimates, and proposed Schedule & Bid Packages. D&C shall be apprised of progress throughout site development and building construction phases and shall receive a copy of Meeting Minutes/OAECM and periodic project status reports. D&C will visit the Project Location at its option, attend meetings, review payment requisitions and recommend payment when its requirements have been met per the Grant Disbursement Agreement.

#### 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), and in connection with the approval of funding for the RiverBend project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of June 27, 2014. Since the issuance of the determination, the SUNY Polytechnic Institute, as lead agency, performed a review of the changes to the project, which will now consist of 1.2 million square feet of manufacturing space. This review determined that the project would continue to not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. Therefore, the Directors are requested to affirm the Determination of No Significant Effect on the Environment.

#### VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The 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 ("MBE") Participation Goal of 20% and a Women Business Enterprise ("WBE") Participation Goal of 20% related to the total value of ESD's funding.

### VIII. 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 approval of funding for the RiverBend Park project approved by the Directors on June 27, 2014, 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, meet 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.

### 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 Photographs  
Project Finance Memorandum  
Benefit-Cost Analysis

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/RiverBend Park Capital – Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Fort Schuyler Management Corporation a grant for a total amount not to exceed One Hundred Twenty Five Million (\$125,000,000) from the Buffalo Regional Innovation Cluster, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

May 18, 2015

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

---

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

\* \* \*

FOR CONSIDERATION

May 18, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Tarrytown (Mid-Hudson Region – Westchester County) – Regeneron DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital Grant)

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

---

General Project Plan

I. Project Summary

**Grantee:** Regeneron Pharmaceuticals, Inc. (“Regeneron” or the “Company”)

**ESD\* Investment:** A grant of up to \$2,125,000 to be used for a portion of the cost of construction/renovation, and purchase and installation of machinery and equipment.

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

**Project Location:** 777 Old Saw Mill River Road, Tarrytown, Westchester County

**Proposed Project:** Construction of a new research & development and corporate headquarters, facility fit-out, and purchase and installation of new machinery and equipment

**Project Type:** Business expansion involving job retention and creation

**Regional Council:** The Mid-Hudson Regional Council has been made aware of this item. The Incentive Proposal was accepted in December 2009, predating the Regional Council Initiative. The project is consistent with the Mid-Hudson Regional

Economic Development Council's plan to invest in public-private partnerships in order to accelerate economic growth and job creation.

Employment:	Initial employment at time of ESD Incentive Proposal:	978
	Current employment level:	1,723
	Minimum employment on January 1, 2015:	1,278

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$25,626,127
Machinery and Equipment Including Furniture & Fixtures	9,648,313
Engineering/Architectural Including Design and Consulting	<u>3,744,791</u>
<b>Total Project Costs</b>	<b><u>\$39,019,231</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$2,125,000	5.4%
NYSERDA-Grant	100,000	.2%
Company Equity	<u>36,794,231</u>	<u>94.4%</u>
<b>Total Project Financing</b>	<b><u>\$39,019,231</u></b>	<b><u>100%</u></b>

III. Project Description

A. Company

**Industry:** Regeneron is a biopharmaceutical company that discovers, develops, and commercializes new therapeutic agents to treat unmet medical needs.

**Company History:** Founded in 1988, the Company established its corporate headquarters and research laboratories in Tarrytown, NY, and its manufacturing facility in Rensselaer, NY.

**Ownership:** Publicly traded

**Size:** The Company's corporate headquarters and research laboratories are located in Tarrytown, NY and its manufacturing facility in Rensselaer, NY. In addition, the Company maintains a satellite office in Bridgewater, New Jersey. The Company employs a total of approximately 1,723 people in its New York State facilities.

**Market:** The Company markets the ARCALYST® (rilonacept) Injection for

Subcutaneous Use and the EYLEA™ (afibercept) Injection. Regeneron also has completed several Phase 3 studies and is conducting additional Phase 3 clinical trials for the potential treatment of gout, age-related macular degeneration, central retinal vein occlusion, and certain cancers. In November 2007, Regeneron and Sanofi-Aventis entered into a global, strategic collaboration to discover, develop, and commercialize fully-human therapeutic antibodies utilizing Regeneron's proprietary *VelociSuite*™ technologies. Five human antibodies developed under the Sanofi-Aventis collaboration are in clinical development today.

**ESD Involvement:** In order to accommodate significant growth in its scientific and corporate operations as well as its increased employment, Regeneron needed to expand its facilities. In order to further expand, the Company planned to incur additional capital expenditures including construction/renovation, building fit-out, and purchase of new machinery and equipment for the new facility adjacent to its Tarrytown's existing facility. In an effort to keep the Company in NYS, ESD offered a \$2,125,000 incentive proposal that was accepted in December 2009. Without ESD funding, Regeneron would have considered expanding its industrial operations and product supply facilities outside of New York State.

**Competition:** The Company considered ready-to-move-into spaces in New Jersey.

**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
Empire State Economic Development Fund	T903	\$4,000,000	August 18, 2011	December 31, 2016	Construction/Renovation and purchase of new machinery and equipment.
Empire State Economic Development Fund	W105	\$200,000	March 27, 2012	December 31, 2015	Purchase and installation of new machinery and equipment at the Rensselaer location.

Regeneron is Empire Zone ("EZ") certified in the Rensselaer Empire Zone

effective December 1, 2003 and has reported using \$8 million in EZ benefits through 2013.

Regeneron has a \$10.2 million Excelsior award for the Tarrytown location and a \$6.5 million Excelsior award for the Rensselaer location. No Tax Credits have been issued for this project.

## B. The Project

Completion: March 2011

Activity: The Company completed construction of a new 130,877-square-foot research & development and corporate headquarters facility adjacent to its current location in the Town of Greenburgh. The project consisted of the landlord/property owner, BioMed Realty Trust, constructing a new building shell and the Company completing the entire fit-out, including all infrastructure, utilities, and building systems. In addition, the Company purchased new machinery and equipment including electrical switchgear, HVAC, boilers, water systems, specialty gas systems, backup generators, fume hoods, and laboratory equipment needed for research.

Results: The project is expected to create 300 new full-time permanent jobs and retain 978 existing full-time permanent positions. The Company has already exceeded its job commitment, creating 445 jobs.

Business Investment  
Project:

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

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$17,171,906;
- Fiscal cost to NYS government is estimated at \$2,125,000;
- Project cost to NYS government per direct job is \$12,427;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$4,206;
- Ratio of project fiscal benefits to costs to NYS government is 8.08:1;

- Fiscal benefits to all governments (state and local) are estimated at \$30,702,085;
- Fiscal cost to all governments is \$2,125,000;
- All government cost per direct job is \$12,427;
- All government cost per total job is \$4,206;
- The fiscal benefit to cost ratio for all governments is 14.45:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$206,024,920, or \$407,811 per job (direct and indirect);
- The economic benefit to cost ratio is 96.95:1;
- Project construction cost is \$29,371,918, which is expected to generate 156 direct job years and 75 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.90 indirect jobs are 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: Joanne Deyo, Vice President, Facilities  
 777 Old Saw Mill River Road  
 Tarrytown, NY 10591  
 Phone: (914) 847-7991

ESD Project No.: W941

Project Team:	Origination	Jeff Janiszewski
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Denise Ross
	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 \$2,125,000 capital grant (\$21,250) 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 \$2,125,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$1,062,500) upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, purchase and installation of approximately \$4 million in M&E, and documentation of the employment of at least 1,128 Full-time Permanent Employees at the Project Location (Employment Increment of 150), assuming that all project approvals have been completed and funds are available;
  - b) a Second Disbursement of an amount equal to 25% of the grant (\$531,250) will be disbursed upon documentation of the employment of at least 1,203 Full-time Permanent Employees at the Project Location (Employment Increment of 75), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$531,250) will be disbursed upon documentation of the employment of at least 1,278 Full-time Permanent Employees at the Project Location (Employment Increment of 75), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant] must be incurred on or after December 1, 2009, 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 \$2,125,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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	978
---------------------	-----

A	B
Reporting Date	Employment Goals
February 1, 2016	978+X+Y+Z
February 1, 2017	978+X+Y+Z
February 1, 2018	978+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=150, and Employment Goals shall equal [978 + X = 1,128] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=75, and Employment Goals shall equal [978 + X + Y = 1,203] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e.  $Z=75$ , and Employment Goals shall equal  $[978 + X + Y + Z = 1,278]$  if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then  $Z=0$ .

#### IV. Statutory Basis

This project is authorized under Section 16-r 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 Downstate Revitalization Fund Program. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The construction of the new Regeneron building was the subject of an environmental review performed by the Town Board of the Town of Greenburgh, as lead agency. A Final Environmental Impact Statement ("FEIS") was prepared pursuant to the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. SEQRA Findings were adopted by the lead agency on October 2, 2001. The present request for ESD funding for interior fit-out of the new building constitutes a Type II action as defined by SEQRA. Therefore, no further environmental review is required in connection with the project.

#### VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified Minority-and Women-owned Business Enterprises ("MWBEs") in the performance of ESD projects. For purposes of this project, however, project performance has been completed therefore MWBE participation goals cannot be established.

#### VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

#### VIII. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Finance Memorandum  
Benefit-Cost Analysis

May 18, 2015

Tarrytown (Mid-Hudson Region – Westchester County) – Regeneron DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-r 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 Regeneron DRF Capital -- Downstate Revitalization Fund – Downtown Redevelopment (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 Regeneron Pharmaceuticals, Inc. a grant for a total amount not to exceed Two Million One Hundred and Twenty-Five Thousand Dollars (\$2,125,000) from the Downstate Revitalization 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.

\* \* \*



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Staten Island (New York City Region – Richmond County) – Global Container Terminal New York Dredging Capital – Port Authority Bi-State Dredge 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: GCT New York LP (“GCT” or the “Company”)

ESD\* Investment: A grant of up to \$4,432,672 to be used for a portion of the cost of dredging.

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

Project Location: 300 Western Avenue, Staten Island, Richmond County

Proposed Project: Dredging of approximately 1,200 feet at Berth 3 to bring the depth to 50 feet in order for the GCT to handle post-Panamax container ships.

Project Type: Infrastructure maintenance

Regional Council: The New York City Regional Economic Development Council (“NYCREDC”) has been made aware of this item. Howland Hook, operated by GCT, is the largest container terminal in the State of New York. In its 2014

progress report, the NYCREDC again recognized the importance of this port facility, and discussed the progress that GCT and the Port Authority of New York & New Jersey (“PANYNJ”) were making to keep the terminal competitive with its New Jersey counterparts.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Dredging	<u>\$4,912,264</u>	
<b>Total Project Costs</b>	<b><u>\$4,912,264</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
Port Authority	\$479,592	9.8%
ESD-Grant	<u>\$4,432,672</u>	<u>90.2%</u>
<b>Total Project Financing</b>	<b><u>\$4,912,264</u></b>	<b><u>100%</u></b>

III. Project Description

A. Company

**Industry:** GCT operates a full service container and general cargo handling facility that has one of the highest volume cargo capacities of any facility in the New York Harbor. GCT boasts two deep water container vessel berths and GCT leases the 153-acre site from the PANYNJ. It is the largest container terminal on the New York State side of New York Harbor.

**Company History:** The facility was originally built by American Export Lines and was purchased by New York City in 1973. Howland Hook Container Terminal, Inc., leased the facility on a long-term basis in 1995 and the facility was returned to full operation by September 1996. In 2005, Howland Hook Marine Terminal, Inc. changed its name to New York Container Terminal, Inc. In 2011, its name was changed to New York Container Terminal, LLC (“NYCT”). In 2014, its name was changed to GCT New York LP.

**Ownership:** GCT is privately owned.

**Size:** This is the only facility that GCT operates. In 2014, GCT handled approximately 200,000 marine lifts, which is approximately 6% of the total handled in New York Harbor.

**Market:** The market and customers include various transportation and logistics companies engaged in shipping and related businesses. Competitors include container terminals in Elizabeth, New Jersey; Newark, New

Jersey; and Norfolk, Virginia.

**ESD Involvement:** While New York Harbor is a superb natural harbor, sheltering vessels from the elements, it is naturally only 20 feet deep. Today's massive container ships require depths of 50 feet, making dredging vital. NYCT, the Company's predecessor, approached ESD in late 2013 with a request to provide the anticipated \$5 million needed to dredge to 50 feet, which is necessary for this facility to handle the anticipated post-Panamax container ships and is critical to keep this port facility viable. ESD issued an Incentive Proposal in May 2014, which NYCT accepted in June 2014.

**Competition:** While no other competing sites were identified, it is important to note that GCT competes for business with four container terminals that are located in New Jersey, which are larger and offer convenient transportation options. This business climate is very competitive and it's important that GCT continue to make investments to make the Project Location attractive.

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

<b>Program</b>	<b>Project #</b>	<b>Amount</b>	<b>Date Start (ESD Directors' Approval date)</b>	<b>Date End (Project Completion: Contract Expiration)</b>	<b>Purpose</b>
Empire State Economic Development Fund & TBD funding	Y385	\$15,000,000	July 18, 2013	December 31, 2019	Working Capital – Offset lease costs to enhance competitiveness of facility.

**B. The Project**

**Completion:** January 2015

**Activity:** The project entailed the dredging of Berth 3, which involved drilling along the existing pier face for approximately 1,300 feet and the blasting of rock ledges prior to dredging. Dredging involves the removal of sediments usually by means of a barge-borne crane fitted with a large clam shell bucket. The material removed included sediments that continuously settle through natural erosion processes and urban runoff. Dredged material management includes both the removal of excess sediment and the management of its placement.

The project will allow GCT to remain relevant in New York Harbor. With the dredging, GCT's current customers and steamship lines can continue to use GCT's facility which will have the same depth as its competition in New Jersey.

**Results:**

The project also ensures that GCT will be able to handle larger ships that are already in service on the New Jersey side of New York Harbor. This project was critical in ensuring that GCT remains competitive with the container terminals in New Jersey and elsewhere.

**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 \$215,876;
- Fiscal cost to NYS government is estimated at \$4,432,672;
- Ratio of project fiscal benefits to costs to NYS government is 0.05:1;
- Fiscal benefits to all governments (state and local) are estimated at \$463,102;
- Fiscal cost to all governments is \$4,432,672;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.10:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$2,928,282;
- The economic benefit to cost ratio is 0.66:1;
- Project construction cost is \$4,912,264 which is expected to generate 24 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: Todd Stevens, GM Operations  
300 Western Avenue  
Staten Island, NY 10303  
Phone: (718) 568-1700

ESD Project No.: Y741

Project Team:	Origination	Brendan Healey
	Project Management	Brendan Healey
	Contractor & Supplier Diversity	Denise Ross
	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 \$4,432,672 capital grant (\$44,327) 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 closing/disbursement.
3. Up to \$4,432,672 will be disbursed to Grantee upon documentation of dredging project costs totaling \$4,835,730, upon completion of the project substantially as described in these materials as evidenced by documentation of a Notice of Completion of Dredging to New York State Department of Environmental Conservation, 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 June 4, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$4,432,672, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

### IV. Environmental Review

The New York State Department of Environmental Conservation ("NYSDEC"), 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 NYSDEC. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect

on the Environment.

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 Business Enterprises (MWBEs) in the performance of ESD projects. For purposes of this project, however, MWBE participation goals will not be established due to the unavailability of certified MWBEs for performance of this Project.

VI. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project 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  
New York State Map  
Project Finance Memorandum  
Benefit-Cost Analysis

May 18, 2015

Staten Island (New York City Region – Richmond County) – Global Container Terminal  
New York Dredging Capital – Port Authority Bi-State Dredge 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 Global Container Terminal New York Dredging Capital - Port Authority Bi-State Dredge 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 GCT New York LP a grant for a total amount not to exceed Four Million Four Hundred Thirty Two Thousand Six Hundred Seventy Two Dollars (\$4,432,672) from the Port Authority Bi-State Dredge 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.

\* \* \*

May 18, 2015

Staten Island (New York City Region – Richmond County) – Global Container Terminal  
New York Dredging Capital – Port Authority Bi-State Dredge 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 Global Container Terminal New York Dredging Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*



**FOR CONSIDERATION**

May 18, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New York (New York City Region – New York County) – Droga5 JCRP – World Trade Center Job Retention and Creation Program (Working Capital Grant)

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

---

**I. Project Summary**

**Grantee:** Droga5, LLC (“Droga5” or the “Company”)

**ESD\* Investment:** A working capital grant of up to \$800,000 to be used for a portion of the cost of wages, payroll taxes, healthcare benefits and rent payments.

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

**Project Location:** 120 Wall Street, New York

**Proposed Project:** Relocation of 181 Full-Time Permanent Employees from 400 Lafayette Street to the proposed Lower Manhattan Project Location and creation of up to 154 new Full-Time Permanent Employees at 120 Wall Street

**Project Type:** Business expansion involving job retention and creation

**Regional Council:** The New York City Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in June

2013, predating the Regional Council Initiative. The project is consistent with the Regional Plan to accelerate economic growth and job creation by supporting the Region's status as a global capital of commerce and innovation.

Employment:	Employment Prior to September 11, 2001:	0
	Initial employment at time of ESD Incentive Offer:	181
	Current employment level:	361
	Minimum employment on December 31, 2017:	335

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Wages, rent, payroll taxes, Health-care benefits	<u>\$800,000</u>	
Total Project Costs	<u>\$800,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$800,000</u>	<u>100%</u>
Total Project Financing	<u>\$800,000</u>	<u>100%</u>

## III. Project Description

### A. Company

Industry: Advertising/Media

Company History: Founded in 2006 by David Droga with five employees, Droga5 is a creative and strategic advertising agency headquartered in New York. After two years of operating from a single global office, Droga5 opened a Sydney location in 2008 and a London location in 2013. Today, Droga5 has grown to a global network of nearly 450 employees.

The Company is highly regarded for its unique approaches to innovation and expansion. In 2012, Droga5 furthered its investment in technology by launching "DE-DE", a standalone product development studio that blends the best of software and the best of storytelling to build expertly crafted platforms and businesses.

In 2013, leading entertainment and media company William Morris Endeavor made a significant investment in Droga5, launching a strategic partnership to best serve each entity's clients. Most recently, the agency was named Adweek and Creativity's Agency of the Year for 2014.

**Ownership:** Privately owned. Droga 5, LLC is the owner of Droga5 Studios LLC

**Size:** The Company has offices in New York, Sydney, Australia and the U.K. The Company employ over 450 people globally.

**Market:** Droga5's clients include Blizzard Entertainment, The Coca-Cola Company, Georgia-Pacific, Hennessy, Jockey, Johnsonville, Mondelēz International, Motorola, Prudential, Reckitt Benckiser, Scion, Toyota, Under Armour, UNICEF and YMCA, among others.

**Program Background:** The World Trade Center Job Creation & Retention Program ("JCRP") is an ESD administered grant program funded by a block grant from the United States Department of Housing & Urban Development ("HUD"). ESD jointly originates new JCRP projects with the New York City Economic Development Corporation ("NYCEDC"). The JCRP program initially focused on gaining the commitment of Lower Manhattan firms to remain and grow downtown in the wake of 9/11. In more recent years, the JCRP program has focused on attracting New York City firms located outside Lower Manhattan to downtown. As a federally funded program, JCRP cannot be used to attract jobs from other states.

In order to be eligible for consideration of a JCRP grant, a project must involve at least 200 existing Lower Manhattan or attracted jobs or the creation of at least 75 net new New York City jobs in Lower Manhattan. Lower Manhattan is defined as south of Canal Street. Offers of JCRP grant assistance must be requested by December 31, 2015.

JCRP grant amounts are based on a number of factors including a project's economic and fiscal impact, the number of retained, attracted and created jobs, the industry and an assessment of the need for public funding to move the project ahead. If a company employs staff outside Lower Manhattan, the company is required to maintain those jobs as part of their JCRP commitment. JCRP recipients are required to maintain their jobs in Lower Manhattan for at least 10 years.

Companies accepting JCRP grant offers apply to ESD for a disbursement of grant funds after achieving the incentive grant offer's terms and conditions (i.e. either creating a certain number of jobs or relocating jobs to Lower Manhattan). Approved companies enter into a binding grant agreement with ESD and will receive grant funds, which may be applied against wages, health benefits, rent, movable equipment and furniture. Since the program's inception, nearly 72,000 Lower Manhattan jobs have been retained, created and attracted (including over 16,773 attracted jobs and 5,000 net new NY City jobs). These 72 projects represent over

\$279,000,000 in JCRP grant funds out of a total program budget of \$318,261,500

**ESD Involvement:** At the time that Droga5 applied for ESD assistance in May 2013, it was occupying 36,801 rentable square feet at 400 Lafayette Street and in the adjacent building at 11 East 4<sup>th</sup> Street (in the Noho district of New York City). Due to severe space constraints at its location at the time, Droga5 needed to upgrade its office space and relocate to a new location which would attract and retain employment. The Company undertook a renovation project of a building in Lower Manhattan which would serve as its new headquarters.

**Competition:** JCRP grants are utilized to encourage Lower Manhattan employment growth as noted above in the Program Background section. Droga5 considered remaining in its current neighborhood north of Houston Street, moving to Lower Manhattan or relocating to Brooklyn.

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

**B. The Project**

**Completion:** April 2014

**Activity:** The Company executed a lease agreement for five floors, or 91,442 square feet of space at 120 Wall Street and completed leasehold improvements totaling approximately \$15,000,000. Work included demolition, lighting, electrical, restrooms, wood floors, plumbing, and construction of a grand staircase. Prior to leasing the building, the space was used for commercial real estate and rented to several different companies. The Company began construction in October 2013 and all employees were successfully transferred to the new space in April 2014.

**Results:** Retain 181 existing jobs and created 154 new jobs. The Company has already created 157 new jobs.

**Grantee Contact:** Amir Feder, Chief Financial Officer  
400 Lafayette Street  
New York, NY 10003  
Phone: (917) 237-6815

**ESD Project No.:** Y508

Project Team:	Origination	Steve Gold
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
2. 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.
3. The ESD assistance will be disbursed as described in these materials and other documentation assuming that all project approvals have been completed and funds are available.
4. Up to \$800,000 will be disbursed in arrears to the Grantee in two installments as follows:
  - **Initial Disbursement:** Upon documentation of employment of at least 258, but less than 335 Full-time permanent employees, representing at least 77 net new Full-time Permanent Employees, the Company will receive \$5,200 for each employee on the payroll in Lower Manhattan in excess of the existing 181 Full-time Permanent Employees. The grant payment shall not exceed \$800,000
  - **Second Disbursement:** If less than \$800,000 was disbursed in the Initial Disbursement, the Company will receive \$5,200 for each Full-time Permanent Employee on the payroll in Lower Manhattan in excess of the number of new employees for which the Initial Disbursement was based. The sum of the Initial and Second Disbursements shall not exceed \$800,000.

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 February 9, 2011, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2018.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$800,000, 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. 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 number of employees, as of each date set forth in column A of the table below, is less than eighty five percent (85%) of the number of Total number of Jobs as set forth in column B, then upon demand by ESD, Grantee shall be obligated to repay to ESD a percentage of the disbursed Grant Amount, as set forth in column C. If the number of Grantee's employees, as of each date set forth in column A of the table below, is less than ninety-five percent (95%) of the number of Total number of Jobs as set forth in column B for any reason related to a relocation out of New York City, then upon demand by ESD, Grantee shall be obligated to repay to ESD a percentage of the disbursed Grant Amount, as set forth in column D.

Minimum Employment Number		181	
---------------------------	--	-----	--

A	B	C	D
Date	Total Jobs	Percentage of Grant Amount to be repaid	Percentage of Grant Amount to be repaid (relocation outside of NYC)
	South of Canal		
2016	$181 + X + Y$	75.0%	200%
2017	$181 + X + Y$	67.5%	200%
2018	$181 + X + Y$	60.0%	200%
2019	$181 + X + Y$	52.5%	150%
2020	$181 + X + Y$	45.0%	120%
2021	$181 + X + Y$	37.5%	100%
2022	$181 + X + Y$	30.0%	80%
2023	$181 + X + Y$	22.5%	60%
2024	$181 + X + Y$	15.0%	40%
2025	$181 + X + Y$	7.5%	20%

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant (i.e. X=77, and

Employment Goals shall equal  $[181 + X = 258 - \text{South of Canal}]$  if the Initial Disbursement is made. The Company will receive \$5,200 for each employee on the payroll in Lower Manhattan in excess of the existing 181 Full-time Permanent Employees. The grant payment shall not exceed \$800,000.

$Y = \text{Grantee's Employment Increment}$  that will be the basis of the Second Disbursement of the Grant (i.e.  $Y = 77$ , and Employment Goals shall equal  $[181 + X + Y = 335 - \text{South of Canal}]$  if the second Disbursement is made. The Company will receive \$5,200 for each Full-time Permanent Employee on the payroll in Lower Manhattan in excess of the number of new employees for which the Initial Disbursement was based. The sum of the Initial and Second Disbursements shall not exceed \$800,000.

#### IV. Community Development Block Grant Underwriting Requirements – World Trade Center Job Creation and Retention Program:

1. Other existing incentive transactions and offers received by the Grantee:  
This is the only award of funding the Grantee is receiving for this project.
  
2. Alternative locations the Grantee may be considering:  
Droga5 considered remaining in North of Houston Street or relocating to Brooklyn.
  
3. Analysis of the risk that, without ESD assistance: (a) the business if located south of the centerline of Canal Street at the time of the disaster will not remain within lower Manhattan; (b) the business if located south of the centerline of Canal Street at the time of the disaster and that has temporarily relocated elsewhere because of the disaster would not return; (c) the New York City business that suffered significant economic dislocation because substantial numbers of its major customers were businesses south of the centerline of Canal Street would not remain in New York City; or (d) the business seeking to locate new operations and create new jobs in Lower Manhattan would not otherwise locate there: Staff believed there was a significant risk that the Company's jobs would not relocate to Lower Manhattan without this incentive.
  
4. Economic benefit/cost analysis: This project is funded by the World Trade Center Job Creation and Retention Program. The Program is funded by a block grant from the U.S Department of Housing and Urban Development (HUD), and administered by ESD. Since the project is financed by the federal government, the benefit cost analysis does not include any fiscal cost to New York State or local governments.

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 \$9,953,274;
  - Fiscal benefits to all governments (state and local) are estimated at \$22,415,788;
  - Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$144,379,347, or \$639,540 per job (direct and indirect);
  - There is no construction –related activity associated with this project;
  - For every permanent direct job generated by this project, an additional 0.52 indirect jobs are anticipated in the state's economy;
5. Fiscal impact on State and City revenues: Droga5 generates an estimated \$2,368,105

annually in direct, indirect, and induced taxes for New York City, and an estimated \$1,891,303 annually in direct, indirect, and induced taxes for New York State.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned businesses (MWBs) in the performance of ESD projects. For purposes of this project, however, Minority and Women-owned Business Enterprise ("MWBE") participation goals will not be established due to the unavailability of certified MWBEs for performance of this Project.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Finance Memorandum

May 18, 2015

New York (New York City Region – New York County) – Droga5 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 Droga5 JCRP -- World Trade Center Job Retention and Creation Program (Working Capital) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Droga5 LLC a grant for a total amount not to exceed Eight Hundred Thousand Dollars (\$800,000) 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 of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

\* \* \*

**FOR CONSIDERATION**

May 18, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Statewide – Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grant)

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

**I. Project Summary**

<b>Schedule</b>	<b>Project #</b>	<b>Grantee</b>	<b>Project Name</b>	<b>Grant Amount</b>
A	Z933	New York Wine and Grape Foundation	NYWGF Wine Country Infographic Working Capital	\$95,000

**ESD\* Investment:** Up to a total of \$95,000 of the \$3,000,000 Craft Beverage Grant Program grant assistance to be used for marketing and promotion of craft beverage in 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 Funding Source(s):** Open For Business

## II. Project Cost and Financing Sources

See Schedule A attached.

## III. Project Description

### A. Background

At his April 2014 summit, the Governor pledged \$3 million to support the craft beverage industry in expanding its marketing, promotion, and tourism initiatives. The Craft Beverage Grant Program (the "Program") will be administered by ESD in consultation with the NYS Department of Agriculture and Markets ("Ag & Markets") and DED Division of Tourism. The Program is divided into two distinct grant programs: the \$2 million Craft Beverage Marketing and Promotion Grants; and the \$1 million Craft Beverage Industry Tourism Promotion Grants.

#### *1. Craft Beverage Marketing and Promotion Grants*

ESD has up to \$ 2 million of funding available for the State's Craft Beverage Marketing and Promotion Grant Program. The program will increase the profile, awareness and sales of New York State produced wine, beer, spirits, and hard cider by providing matching funds for the marketing and promotion of these craft beverages. The program and each funded proposal will work to support the Regional Economic Development Councils' long term strategic plans for economic growth in their regions.

ESD will establish a competitive process for the evaluation of applicants. Eligible applicants may receive grants ranging from \$5,000 to \$500,000 for up to 50% of project costs. An Eligible Entity may be awarded a maximum of \$500,000 in each Program year.

Eligible uses of grant funds must be a new activity or be a clear expansion of an existing activity:

- Business to Business (B to B) Marketing and Promotion;
- Business to Consumer (B to C) Marketing and Promotion; and
- Organizational Creation, Capacity Building or Expansion.

#### *2. Craft Beverage Industry Tourism Promotion Grants*

ESD has up to \$1 million of working capital (marketing only) funding available for the State's Craft Beverage Industry Tourism Promotion Grants, which helps bolster tourism growth by promoting destinations, attractions, and special events explicitly related to the craft beverage industry, across New York State. The Program and each funded proposal will work to support the Regional Economic Development Councils' long term strategic plans for economic growth in their regions.

### B. The Project

ESD will make available a total of \$95,000 to fund one Craft Beverage Grant Program project. The Grantee will carry out its project as described in the individual project descriptions as set forth in Schedule A attached.

ESD Project No's.: See Table Above

Project Team:	Origination	Sam Filler
	Project Management	Jillian Drummond
	Contractor & Supplier Diversity	Denise Ross
	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 \$95,000 for this project, if ESD determines that 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 – Open for Business

For the State Fiscal year April 1, 2014 through March 31, 2015, the State Legislature enacted Section 19 of Part I of Chapter 55 of the Laws of 2014, providing, inter alia, that the Power Authority of the State of New York is authorized and directed to make a contribution of up to \$90 million to the State Treasury, a portion of which is directed to the credit of ESD in furtherance of ESD's Statewide economic development initiatives. In State Fiscal Year April 1, 2015 through March 31, 2016, the State Legislature enacted Section 19 of Part I of Chapter 60\* of the Laws of 2015, providing, inter alia, that the Power Authority of the State of New York is authorized and directed to make a contribution of up to \$90 million to the State Treasury, a portion of which is directed to the credit of ESD in furtherance of ESD's Statewide economic development initiatives. No residential relocation is required as there are no families or individuals residing on the site.

\*Upon finalization of the Laws of 2015, the referenced Chapter may change to 61.

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 - D 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.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply. In accordance with the requirements of Article 15-A of the New York State Executive Law, all projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity ("OCSD"), which will, where applicable, set minority and women-owned business enterprise ("MWBE") participation goals. Such goals shall typically be included in the award letter or other contemporaneous communication from OCSD with respect to these requirements.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since these projects will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Requested Actions

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

X. Recommendation

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

XI. Additional Submissions to Directors

Resolutions  
Schedule A (A)

May 18, 2015

Statewide – Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grant) – Findings and Determination Pursuant to Section 10 (g) of the Act; Authorization to a Make 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 Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grant) (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 areas of the Projects; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant for up to a total amount not to exceed (\$95,000) from Open For Business for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*



## A. NYWGF Wine Country Infographic Working Capital (Z933)

May 18, 2015

**Grantee:** New York Wine and Grape Foundation (“NYW&GF” or the “Organization”)

**ESD Investment:** A grant of up to \$95,000 to be used for craft beverage industry tourism promotion.

**Project Location:** Ontario County

**Proposed Project:** NYW&GF will create an infographic platform to provide an interactive means to quickly explore wineries and related attractions in all New York State regions.

**Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in April 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – Founded in 1985, NYW&GF is charged with developing and executing promotional and research programs in support of all New York State grapes. New York State has nearly 400 wineries, producing over 200 million bottles annually and winning gold medals in international competitions. During its 30 years of operation, the Organization’s statewide and regional programs, which operate under the “Uncork New York!” umbrella, have built tremendous awareness of the New York industry and its products.

Ownership – New York Wine and Grape Foundation is a not-for-profit organization.

ESD Involvement – A \$95,000 grant from the Craft Beverage Marketing and Promotion Grants

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
NYPA OFB Craft Bev Marketing	Z883	\$250,000	April 16, 2015	January 31, 2016	Working Capital - “New York Wine Country” bookazine focusing exclusively on New York’s Wine Country to drive tourism.

### The Project:

Completion date – January 2016

## A. NYWGF Wine Country Infographic Working Capital (Z933)

May 18, 2015

**Activity** – The Infographic will bring the New York Wine regions to life visually in a highly interactive and sharable online experience. NYW&GF will contract with Ebase Interactive to develop a mobile version of the NYW&GF web site ([www.newyorkwines.org](http://www.newyorkwines.org)) and contract with Wine Enthusiast magazine to develop a New York Wine Country Infographic, including mobile optimization.

**Results** – The New York Wine and Grape Foundation seeks to increase its audience and supporters, as well as to use the Organization’s increased visibility to showcase wineries, area hotels, restaurants, and other attractions to drive tourism to the wine regions.

Financing Uses	Amount	Financing Sources	Amount	Percent
Graphic Design	\$26,200	ESD Grant	\$95,000	100%
App Design and Testing	48,800			
Marketing	10,000			
Mobile Optimization	10,000			
Total Project Costs	\$95,000	Total Project Financing	\$95,000	100%

**Grantee Contact:** James Trezise, President  
New York State Wine and Grape Foundation  
800 S. Main Street  
Canandaigua, NY 14424  
Phone: (585) 394-3620

**Project Team:**

Project Management	Jillian Drummond
Contractor & Supplier Diversity	Vikas Gera
Environmental	Soo Kang

### Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$95,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 15, 2015, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$95,000 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

## A. NYWGF Wine Country Infographic Working Capital (Z933)

May 18, 2015

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 & Contractor and Supplier Diversity policy will apply to the project. The Recipient 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%*** 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.

### **Statutory Basis – Open For Business:**

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.

### **Disclosure and Accountability Certifications:**

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



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Discretionary Projects Consent Calendar

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

Attached is a summary of a discretionary projects requesting ESD assistance of \$100,000 and under in the following category:

	Project Name	Proj #	Grantee	Assistance up to
	<b>Empire State Economic Development Fund</b>			
A	Sabra Dipping Capital	X243	Sabra Dipping Company, LLC	\$100,000
B	Plattsburgh-North Country Chamber 2015 Paris Air Show Working Capital	Z530	Plattsburgh-North Country Chamber of Commerce	\$59,500
	<b>Economic Development Purposes Fund</b>			
C	Chocolate Pizza Capital	Y099	Chocolate Pizza Company, Inc.	\$45,000
			<b>TOTAL</b>	<b>\$204,500</b>

The provision of ESD\* financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

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

### Environmental Review

Unless otherwise noted on a project summary, ESD staff has determined that the project 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 project.

### Office of Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Supplier Diversity policy will apply to the project. In the case of training, global export market service and productivity improvement projects, the grantees and/or the beneficiary companies, as applicable, shall use their good faith efforts to provide for the meaningful participation of minorities and women in any job or training opportunities created by the projects and to solicit and utilize minority and women-owned businesses for any contractual opportunities generated in connection with the projects.

For all other projects, unless otherwise specified in the project summary, grantees shall use their good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantee shall use good faith efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the Projects.

### Reallocation of Funds

ESD may reallocate each project's funds to another form of assistance, at an amount no greater than the amount approved, for the same project if ESD determines that the reallocation of the assistance would better serve the needs of the recipient and the state of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

### ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply because the project does not directly create jobs.

### 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.

#### Statutory Basis - Economic Development Purposes 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.

#### Attachments

New York State Map  
Resolutions  
Project Summaries

May 18, 2015

Empire State Economic Development Fund – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Empire State Economic Development Fund Project identified below (the "Project"), the Corporation hereby determines pursuant to Section 16-m of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Sabra Dipping Capital	X243	Sabra Dipping Company, LLC	\$100,000
B	Plattsburgh-North Country Chamber 2015 Paris Air Show Working Capital	Z530	Plattsburgh-North Country Chamber of Commerce	\$59,500
			<b>TOTAL</b>	<b>\$159,500</b>

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.

\* \* \*

May 18, 2015

Economic Development Purposes Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a 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 Economic Development Purposes Fund Project identified below (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amounts listed below from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Economic Development Purposes Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
C	Chocolate Pizza Capital	Y099	Chocolate Pizza Company, Inc.	\$45,000
			<b>TOTAL</b>	<b>\$45,000</b>

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. Sabra Dipping Capital (X243)

May 18, 2015

### General Project Plan

**Grantee:** Sabra Dipping Company, LLC ("Sabra" or the "Company")

**ESD Investment:** A grant of up to \$100,000 to be used for a portion of the cost of renovations, the purchase of machinery and equipment and related costs.

**Project Location:** 777 Westchester Avenue, West Harrison, Westchester County

**Proposed Project:** Relocation of corporate headquarters and the acquisition of machinery and equipment

**Project Type:** Business expansion involving job retention and creation

**Regional Council:** The Mid-Hudson Regional Economic Development Council has been made aware of this item.

**Employment:**

Initial employment at time of ESD Incentive Proposal:	33
Current employment level:	76
Minimum employment on January 1, 2015:	65

### **Background:**

Industry – Food Manufacturer

Company History – The Company was founded in Queens, NY in 1986 as Sabra Blue & White Foods by Yehuda Pearl as a producer of Middle Eastern-style foods including hummus, eggplant dip, baba ghanoush, and Mediterranean salsa. All Sabra products are certified kosher and vegetarian, and are available throughout the U.S. and Canada. In 2000, Sabra began to distribute and market to a wider, more mainstream consumer base and in 2005, a majority share was purchased by Strauss Group. In 2008, a 50/50 joint venture was created between Strauss and PepsiCo to own Sabra.

Ownership – Sabra is a privately-held company.

Size - Sabra operates production facilities in Virginia, California, and Farmingdale, NY.

Market –Sabra's customers include: 61% supermarkets (Kroger, Shoprite, etc.); 9% mass merchandisers (Walmart, Target, etc.); 24% club stores (Costco, Sam's Club, BJ's, etc.); and 6% food service and convenience stores throughout the United States and Canada. Competitors include Athenos, Tribe and private label brands of hummus, located

regionally throughout the United States.

ESD Involvement – The Company saw an opportunity to increase its capacity and create more employment opportunities. The Company’s existing space in Queens, NY did not provide the space Sabra needed to grow. In 2010, the Company approached ESD for assistance to move its operations to a newly renovated facility in Westchester County. In October 2010, ESD offered a \$100,000 grant to assist with the relocation and machinery and equipment costs. Without this support, the Company considered leaving New York State and eliminating jobs.

Competition – Virginia, California and New Jersey

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

**The Project:**

Completion – December 2014

Activity - The Company has renovated and equipped a 30,000-square-foot floor in a building in Westchester. Sabra has been growing due to distribution expansion and increase in house-hold penetration. Between 2005 and 2014, Sabra’s market share in the refrigerated food spread market increased over 50%. The new facility in Westchester will support new customer demand.

Results - Retain 33 existing jobs and create 32 new jobs. The Company has already created 38 new jobs.

Financing Uses	Amount	Financing Sources	Amount	Percent
Electrical	\$4,248	ESD Grant	\$100,000	33%
Construction	\$10,900	Company Equity	203,190	67%
IT Equipment	\$7,065			
Workstations	\$45,785			
Computers and Laptops	81,955			
IT Wiring	3,875			
IT Software and Hardware	53,075			
Phones	34,950			
Legal	42,841			
Design and Layout	9,300			
Moving	9,196			
Total Project Costs	\$303,190	Total Project Financing	\$303,190	100%

Grantee Contact - Erik Martinoli, Chief Financial Officer  
777 Westchester Avenue, 3<sup>rd</sup> Floor  
White Plains, NY 10604  
Phone: (914) 372-3900

<u>Project Team</u> -	Origination	Ryan McLeod
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$100,000 capital grant (\$1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
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 \$100,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$50,000) upon completion of the project substantially as described in these materials, project costs totaling \$241,000, and documentation of the employment of at least 33 Full-

- time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of an amount equal to 25% of the grant (\$25,000) will be disbursed upon documentation of the employment of at least 49 Full-time Permanent Employees at the Project Location (Employment Increment of 16), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$25,000) will be disbursed upon documentation of the employment of at least 65 Full-time Permanent Employees at the Project Location (Employment Increment of 16), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after October 15, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, 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	33
---------------------	----

A	B
Reporting Date	Employment Goals
February 1, 2016	33+X+Y
February 1, 2017	33+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=16, and Employment Goals shall equal [33 + X = 49] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Y=16, and Employment Goals shall equal [33 + X + Y = 65] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

**Statutory Basis – Empire State Economic Development Fund:**

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.  
As a result of this project, the Company will maintain its employment level of 33 and create 32 new jobs.
2. The project would be unlikely to take place in New York State without the requested assistance.  
The Company considered relocating its operations to Virginia or California. ESD's assistance helped to reduce costs and make the project feasible in New York.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.  
Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$\$1,114,150, which exceed the cost to the State.
4. The requirements of Section 10(g) of the Act are satisfied.  
See cover memo.



## B. Plattsburgh-North Country Chamber 2015 Paris Air Show Working Capital (Z530)

May 18, 2015

- Grantee:** Plattsburgh-North Country Chamber of Commerce (the “Chamber” or the “Organization”)
- ESD Investment:** A grant of up to \$59,500 to be used for a portion of the costs to attend and exhibit at the 2015 Paris Air Show in France.
- Project Location:** Paris Air Show, France
- Proposed Project:** The Plattsburgh-North Country Chamber of Commerce will assist New York State companies in marketing products and services at the Paris Air Show in France by attending and exhibiting during June 15-21, 2015.
- Project Type:** International Marketing
- Regional Council:** The Incentive Proposal for this project was accepted on December 4, 2014. The North Country Regional Economic Development Council (“NCREDC”) has been made aware of this item. The project is consistent with the NNREDC plan to support existing NYS entities and to support initiatives for international trade.

### Background:

Industry – Economic Development/Business Support/Tourism Promotion

Company History – The Plattsburgh-North Country Chamber of Commerce was founded in 1912.

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

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

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

ESD Involvement – The Plattsburgh-North Country Chamber of Commerce has advised the ESD Regional Office in Plattsburgh that it has developed an initiative to assist

**Plattsburgh-North Country Chamber 2015 Paris Air Show Working Capital (Z530)**

May 18, 2015

regional companies in the aerospace industry to market their products and services at international tradeshows. The Plattsburgh-North Country Chamber of Commerce and participating aerospace business firms lack sufficient resources to register and attend such international trade events with professional staff and appropriate exhibit space and professional display equipment. ESD has responded with a working capital grant of \$59,500 which will assist the Plattsburgh-North Country Chamber of Commerce and participating aerospace firms to attend the Paris Air Show in France. The project will enable the Chamber to market and compete for business opportunities at the international level and to help achieve regional economic development project benefitting the North Country region and participating aerospace and related firms.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Empire State Economic Development Fund	Z271	\$68,000	July 17, 2014	December 31, 2015	Working Capital – Attend and exhibit at the Farnborough International Trade Airshow in the U.K. – 2014
Empire State Economic Development Fund	X889	\$50,000	January 17, 2013	June 26, 2013	Working Capital – Attend and exhibit at the Farnborough International Trade Airshow in the U.K. – 2012
Empire State Economic Development Fund	X325	\$50,000	December 18, 2010	December 31, 2014	Working Capital – Attend and exhibit at the Paris International Trade Airshow in Paris, France - 2011
Empire State Economic Development Fund	X115	\$35,000	October 21, 2010	September 10, 2011	Working Capital – Attend and exhibit at the Farnborough International Trade Airshow in the U.K. – 2010

**The Project:**

Completion – December 2015

Activity – The Chamber will make business arrangements for booth space rental and related build-out of professional exhibit-display to participate at the Paris Air Show, an international trade event. The project arrangements began in December 2014, and the international trade event is scheduled to take place on June 15-21, 2015. The

**Plattsburgh-North Country Chamber 2015 Paris Air Show Working Capital (Z530)**

May 18, 2015

Plattsburgh-North Country Chamber of Commerce anticipates completing the project in December 2015.

The grant will be used to develop business participation at the event, to subsidize the booth space costs, and to implement strategies to increase the effectiveness of the NYS businesses attending. The Plattsburgh-North Country Chamber of Commerce will manage the entire project, assist the NYS companies that will attend the tradeshow and act as liaison between the Paris Air Show officials and the regional NYS companies represented. The companies that plan to participate and contribute to the funding of the project include:

- HADCO Metal Trading - Melville, NY, Aerospace Services
- Universal Stainless - Dunkirk, NY, Manufacturers
- Electronic Hardware Corporation - Farmingdale, NY, Manufacturers
- Cambridge Valley Machining, Inc. - Cambridge, NY, Manufacturers
- Aircraft Lighting Int'l - West Babylon, NY, Manufacturers
- Calspan Aerospace - Buffalo, NY, Aerospace Services
- Direct Alloys - Utica, NY, Aerospace Services
- Jet Information Services - Utica, NY, Aerospace Services
- Plattsburgh International Airport - Plattsburgh, NY, Airports

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

<b>Financing Uses</b>	<b>Amount</b>	<b>Financing Sources</b>	<b>Amount</b>	<b>Percent</b>
Booth Space	\$26,850	ESD Grant	\$59,500	46%
Booth Build-Out	26,150	Participating Companies' Contributions	39,095	30%
Furniture Rental, Power, Cleaning	700	In-kind Services	18,000	14%
Shipping of Show Materials	500	Grantee Equity	12,955	10%
Co-Exhibitor Fees	6,500			
Show Catalog Advertisement	600			
Travel-Lodging	50,000			
Wages	18,000			
US Embassy Reception	250			
<b>Total Project Costs</b>	<b>\$129,550</b>	<b>Total Project Financing</b>	<b>\$129,550</b>	<b>100%</b>

Grantee Contact Sue Matton, Vice President for Economic Development

**Plattsburgh-North Country Chamber 2015 Paris Air Show Working Capital (Z530)**

May 18, 2015

P.O. Box 310  
Plattsburgh NY 12901  
Phone: (518) 563-1000

<u>Project Team</u> -	Origination	Antonio Rodriguez
	Project Management	Antonio Rodriguez
	Contractor & Supplier Diversity	Denise Ross
	Environmental Review	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. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$59,500 will be disbursed to Grantee upon completion of the project substantially as described in these materials, as reimbursement for booth space rental and build-out costs totaling approximately \$129,550 associated with the Paris Air Show in June 2015. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Project expenses must be incurred after December 4, 2014 to be considered eligible expenses. ESD shall reimburse up to 46% of the eligible project expenses up to \$59,500. 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. All disbursements must be requested by December 31, 2015.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$59,500, 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 Contactor and Supplier Diversity:**

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified Minority-and Women-owned Business Enterprises (MWBs) in the performance of ESD projects. For

## Plattsburgh-North Country Chamber 2015 Paris Air Show Working Capital (Z530)

May 18, 2015

purposes of this project, however, MWBE participation goals will not be established due to the unavailability of certified MWBEs for performance of this Project.

### **Statutory Basis – Empire State Economic Development Fund:**

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.  
New York State plays a strong role in the development and application of aerospace and defense technologies. New York State's historic role in the development and implementation of aerospace and defense systems and equipment translates directly into a highly supportive business environment for equipment producers and related service organizations in New York State today.

The project will provide increased market exposure and international sales opportunities for small and medium sized regional companies, which lack the resources and expertise to identify and market to international interest.

2. The project would be unlikely to take place in New York State without the requested assistance.  
Without ESD assistance, the Plattsburgh-North Country Chamber of Commerce would not be able to continue the project since the overall initiative lacks sufficient funds.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.  
The project is likely to accomplish its stated goals of providing international market trade assistance. The likely benefits of the project are expected to exceed the \$59,500 grant. 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.
4. The requirements of Section 10(g) of the Act are satisfied.  
See cover memo.



## C. Chocolate Pizza Capital (Y099)

May 18, 2015

### General Project Plan

**Grantee:** Chocolate Pizza Company Inc. (the "Company")

**ESD Investment:** A grant of up to \$45,000 to be used for a portion of the cost of the purchase of machinery and equipment

**Project Locations:** 60 East Main Street, Marcellus, Onondaga County\*  
3774 Lee Mulroy Road, Marcellus, Onondaga County\*\*

\* Present location where equipment is located.  
\*\* Location of a new production and retail facility under construction that is set to open in September 2015. All operations are expected to be consolidated at the new location.

**Proposed Project:** Purchase and install high speed production equipment for chocolate and confectionary business

**Project Type:** Business expansion involving job retention and creation

**Regional Council:** The Central New York Regional Economic Development Council ("Council") has been made aware of this item. The project is consistent with the Council's overarching goals of promoting manufacturing, exporting, and maintaining and improving the region's municipal cores. The project will improve the Company's manufacturing capabilities, add jobs and secure the existing business location near downtown Marcellus.

**Employment:**

Initial employment at time of ESD Incentive Proposal:	9
Current employment level:	18
Minimum employment on January 1, 2016:	25

### **Background:**

Industry – The Company is a manufacturer of gourmet chocolate specialties for both the retail and wholesale markets with products in two major categories – gourmet gift and impulse sales.

Company History – The Company was formed in 1987 and remained a small town chocolate shop with four employees until it was sold in 2010 to Ryan Novak. Novak incorporated the Company and took it national with products now sold in 50 states through retailers that include Hallmark, Bass Pro Shops, Lori's Gifts, Kinney Drugs, CVS,

## Chocolate Pizza Capital (Y099)

May 18, 2015

and Sheetz. The Company was featured on the Food Network's hit show "Unwrapped," and is a "Pride of New York" business. Within the past year, the Company received federal trademarks for the term "Chocolate Pizza" and for "Peanut Butter Wings," its signature products.

Ownership - Privately owned, S-corporation registered in New York State

Size – The Company's production and main retail location is located in Marcellus, New York. It also operates a company-owned store in Cincinnati, Ohio and has an independent licensed store in Charlotte, North Carolina.

Market – Gourmet chocolate continues to be in demand as consumers look for products of high quality and unique taste. Chocolate Pizza Company competes with industry giants like Godiva, Dove, Gertrude Hawk and other well-known brands. The Company has expanded its market presence significantly by branching out beyond gourmet chocolate gifts to lower-priced impulse sale items at major national chains like CVS, Sheetz, and Bass Pro Shops. The expansion of its market presence has made Chocolate Pizza Company an emerging national brand.

ESD Involvement – To meet its rapidly expanding growth, the Company needed a second production line, and approached ESD for assistance. ESD responded with a \$50,000 capital grant, subsequently reduced to \$45,000. The Incentive Proposal was accepted in February 2013. Without ESD assistance to lower costs, the Company would not be able keep up with customer demand by expanding its production and shipping capacity.

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

### The Project:

Completion – February 2015

Activity – The Company has purchased and installed production equipment that is presently located in its current building on East Main Street in Marcellus. It invested in two tempering machines (tempering gives chocolate its sheen and strength to hold together), a computerized melting vat, and an advanced imaging machine for custom packaging. The equipment will support new customer demand for chocolates and confectionary products. That equipment will be eventually relocated to a new 8,300-square-foot production facility under construction on Lee Mulroy Road in Marcellus, where the Company will consolidate operations.

Results – Retain nine existing jobs and create 16 new jobs. The Company has already

## Chocolate Pizza Capital (Y099)

May 18, 2015

created nine new jobs.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$403,952, which exceed the cost to the State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Machinery & Equipment Purchased & Installed	\$100,000	ESD Grant	\$45,000	45%
		Company Equity	55,000	55%
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact - Ryan Novak, Owner  
60 East Main Street  
Marcellus, NY 13108  
Phone: (315) 673-4098

Project Team -

Origination	Ray Lawrence
Project Management	Edward Muszynski
Contractor & Supplier Diversity	Vikas Gera
Environmental	Soo Kang

### Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$45,000 capital grant (\$450) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
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

## Chocolate Pizza Capital (Y099)

May 18, 2015

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 \$45,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$22,500) upon documentation of machinery and equipment project costs totaling \$100,000, completion of the project substantially as described in these materials, and documentation of the employment of at least 9 Full-time Permanent Employees 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 25% of the grant (\$11,250) will be disbursed upon documentation of the employment of at least 17 Full-time Permanent Employees at the Project Locations (Employment Increment of 8), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$11,250) will be disbursed upon documentation of the employment of at least 25 Full-time Permanent Employees at the Project Locations (Employment Increment of 8), 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 February 20, 2013, 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 \$45,000, 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

**Chocolate Pizza Capital (Y099)**

May 18, 2015

repay to ESD a portion of each disbursement of the Grant, as follows:

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

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	9
---------------------	---

A	B
Reporting Date	Employment Goals
February 1, 2016	9+X+Y
February 1, 2017	9+X+Y
February 1, 2018	9+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=8, and Employment Goals shall equal  $9 + X = 17$  if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Y=8, and Employment Goals shall equal  $9 + X + Y = 25$ ] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

**Non-Discrimination and Contractor & Supplier Diversity:**

## **Chocolate Pizza Capital (Y099)**

May 18, 2015

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 had previously assigned MWBE participation goals totaling 20% to this project. The goals have since been waived due to the lack of availability of MWBE firms in the local marketplace.

### **Statutory Basis – Economic Development Purposes 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.



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project - Marcy (Mohawk Valley Region – Oneida County) – MVEDGE - Marcy Nanocenter Interceptor Phase 1B 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 Grants and to Take Related Actions

---

General Project Plan

I. Project Summary

Grantee: Economic Development Growth Enterprises d/b/a MVEDGE (“MVEDGE” or the “Organization”)

ESD\* Investment: Grants of up to \$4,250,000 to be used for a portion of the cost to wetland and stream mitigation, storm water systems, clearing and grubbing, fencing, cutting and filling to build the terrace structure for future buildings, design and permitting for the 345kv transmission line and other design work.

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

Project Location: Edic Road, adjacent to SUNY IT, Town of Marcy, Oneida County

Proposed Project: Site development of the Marcy Nanocenter at SUNYIT (the “Site”) for the manufacturing of 300/450 MM semiconductor wafers and related uses

Project Type: Infrastructure Development

Regional Council: The project is consistent with the Regional Plan to build a diverse, integrated and dynamic economy that leverages technology and innovation. It further meets the goal of making Marcy Nanocenter one of the premier mega-sites for advanced manufacturing in New York State.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Infrastructure/Site Work	\$5,494,002	
Other Project Costs (Engineering, Design, Inspection, Administration, Etc.)	<u>1,560,483</u>	
<b>Total Project Costs</b>	<b><u>\$7,054,485</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant (Z427)	\$3,250,000	46%
ESD-Grant (Z800)	1,000,000	14%
Grantee Equity*	<u>2,804,485</u>	<u>40%</u>
<b>Total Project Financing</b>	<b><u>\$7,054,485</u></b>	<b><u>100%</u></b>

\*Includes other grants and EDGE equity.

III. Project Description

A. Organization

Industry: Business and Economic Development

Organization

History: Economic Development Growth Enterprises, formed in 1996, is a not-for-profit corporation that provides business and economic development assistance in Oneida and Herkimer counties. MVEDGE is the region's primary marketing and economic development organization and works with businesses that are considering expansion opportunities in upstate New York. MVEDGE spearheaded the redevelopment of the Griffiss Business and Technology Park in Rome, which has leveraged more than \$565 million in public and private investment. MVEDGE is also leading the planning efforts to reposition the former Oneida County Airport site and the Oneida County Industrial Park in Oriskany for future economic development and is under contract with SUNY and the Research Foundation of the State University of New York as the designated developer for the Marcy Nanocenter. EDGE also develops and manages other economic development projects that are critical to the region's economy.

Ownership: MVEDGE is a not-for-profit corporation.

Size: All facilities located in Rome, NY.

Market: Worldwide semiconductor and photovoltaic industries.

ESD Involvement: In 2006, the Marcy Nanocenter, an approximately 420-acre greenfield site located west of the campus of the State University of New York Institute of Technology in the Town of Marcy, was visited by Advanced Micro Devices (“AMD”) for the development of a chip fabrication plant. Although the Luther Forest Technology Campus was selected and AMD ranked the Site as its second choice in North America, the visit demonstrated the ability of the Site to compete on a world-class level. With the worldwide exposure garnered from these events, the Site was actively marketed to other major players in the semiconductor industry. MVEDGE, in conjunction with the NY Loves Nanotech team, attended trade shows for the semiconductor industry in California (SEMICON West), Europe (SEMICON Europa) and China (SEMICON China), and also met with US based semiconductor companies in Arizona, California and Texas, and semiconductor companies in Europe and Asia, to promote the Site.

In preparation for attracting a semiconductor firm and to bring the Marcy Nanocenter closer to being designated shovel ready, since 2007, ESD has approved \$24 million for:

Phase 1 - Property acquisition; project development agreement; sewer and water improvements; wetlands mitigation, Site grading, engineering, legal, title surveys, geotechnical, and environmental; construction of the Edic Road Bypass and associated roadway improvements; sewer improvements; relocation of the Porter Terminal #6 line; natural gas line extension; easements and right-of-way acquisitions

Phase 1A – Planning, final design, easements/land acquisition, Site preparation (clearing and grubbing, storm water management and drainage, wetlands mitigation); paving, utilities, walkways; 115kV power line relocation; and sanitary sewer upgrades.

As a result of the Governor’s Regional Economic Development Council Initiative, MVEDGE was awarded grants totaling \$4,250,000 through Rounds 3 and 4 of the Consolidated Funding Application to further the development of this regionally significant initiative.

Competition: Worldwide

Past ESD Support: Since 2007, ESD’s funding for the Marcy Nanocenter 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
Local Assistance	V062	\$4,000,000	May 17, 2007	May 2011	Capital – Phase 1 development of Marcy Nanocenter
New York State Economic Assistance Program	W277	10,000,000 (\$8.7M allocated to the Marcy Nanocenter and \$1.3M allocated to the Quad C)	September 18, 2008	December 2015	Capital – Phase 1 development of Marcy Nanocenter
Economic Transformation Program	X623	5,000,000	November 15, 2012	December 2018	Capital – Phase 1A development of Marcy Nanocenter
Economic Transformation Program	X624	5,000,000	February 16, 2013	December 2015	Capital – Sewer pipe replacement for the Marcy Nanocenter

**B. The Project**

Completion: December 2019

Activity: The project, Phase 1B, will further transform of the Site by undertaking improvements to the water facilities, sewer facilities and storm drainage systems; construction of the on-site wetland creation areas and subgrade preparation for the wetlands creation areas engaging in wetland and storm mitigation; establishing storm water ponds; clearing and grubbing; fencing; and other site improvements readying the Site for future building construction.

Results: The project will move the Marcy Nanocenter closer to completion and to provide a campus-style layout for manufacturing, R&D, work force training, and recreational spaces. Upon completion, the Site will include three, 520,000-square-foot fabrication facilities, a 437,000-square-foot central utility building, 2.35 million square feet of administrative and R&D facilities, and another 600,000 square feet of Site support and complementary uses on the Marcy Nanocenter campus site. The Site’s proximity to high-tech and semiconductor clusters, secure water and energy sources, a quality work force, three major highways, regional airports, and major U.S. and international markets, will enable the Marcy Nanocenter to advance semiconductor manufacturing and create jobs in the Mohawk Valley Region.

Infrastructure Investment:

Benefit-Cost Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefit 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 \$425,816;
- Fiscal cost to NYS government is estimated at \$4,250,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.10:1;
- Fiscal benefits to all governments (state and local) are estimated at \$728,801;
- Fiscal cost to all governments is \$4,250,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.17:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$5,232,265;
- The economic benefit to cost ratio is 1.23:1;
- Project construction cost is \$7,054,485 which is expected to generate 80 direct job years and 37 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: Steve DiMeo, President  
 584 Phoenix Drive  
 Rome, NY 13441  
 Phone: (315) 338-0393 Fax: (315) 338-5694

ESD Project Nos.: Z427 & Z800

Project Team: Origination Jane Thelen  
 Project Management Glendon McLeary

Contractor & Supplier Diversity	Denise Ross
Finance	Jonevan Hornsby
Design & Construction	Scott Renzi
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% the \$4,250,000 capital grant (\$42,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$4,250,000 will be disbursed to Grantee upon documentation of eligible expenses during the course of design and construction, 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 project completion, as evidenced by a certificate of completion/compliance. 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, 2013 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 \$4,250,000, 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 for non-nano technology manufacturing purposes. 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

The project was authorized in the 2013-2014 and 2014-2015 New York State budgets 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

The Design and Construction Department (“D&C”) will review the plans and cost estimates for conformity to the scope of work. D&C will inspect the work and will approve and recommend payment of invoices based upon the inspections.

#### VI. Environmental Review

The proposed Marcy Nanocenter Interceptor Phase 1B capital project was assessed as part of the Final Generic Environmental Impact Statement (“FGEIS”) and supplemental analyses for the Semiconductor Fabrication Facility in the Town of Marcy, NY pursuant to the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations (6 NYCRR Part 617) of the New York State Department of Environmental Conservation. The Directors adopted SEQRA Findings on May 17, 2007. By adoption of SEQRA Findings, the Directors certified that the requirements of 6 NYCRR Part 617 have been met. The present request for ESD funding does not constitute an action beyond those actions already considered in the FGEIS and supplemental analyses, 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 grant for the Marcy Nanocenter Loop Road project approved by the Directors in November 2012, ESD’s Smart Growth Advisory Committee previously reviewed a Smart Growth Impact Statement (“SGIS”) for the Marcy Nanocenter project. This review found it is impracticable for the project to be developed in a manner consistent with the relevant State Smart Growth Public Infrastructure Criteria (“Smart Growth Criteria”) due to the project’s site requirements, but that the project is justified by the site’s

access to existing infrastructure, location adjacent to SUNYIT and the public benefits that would result from the project including increase in high quality jobs. The designee of the Chief Executive Officer of the Corporation attested it is impracticable for the project to meet the relevant Smart Growth Criteria set forth in the SG Act and that the project is justified for the reasons stated in the SGIS. This attestation addressed all aspects of the proposed project. Therefore, no further smart growth public infrastructure review is required in connection with this action.

VIII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the project. The Organization shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 25%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation goal of 10% 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.

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
- Project Photographs
- Project Finance Memorandum
- Benefit-Cost Analysis

May 18, 2015

Regional Council Award - Priority Project - Marcy (Mohawk Valley Region – Oneida County) – MVEDGE - Marcy Nanocenter Phase 1B 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 MVEDGE - Marcy Nanocenter Phase 1B 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 Economic Development Growth Enterprises grants for a total amount not to exceed Four Million Two Hundred Fifty Thousand Dollars (\$4,250,000) 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 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.

\* \* \*



**FOR CONSIDERATION**

**May 18, 2015**

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Rome (Mohawk Valley Region – Oneida County) – Griffiss International Airport Customs and Border Patrol Facility 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

---

**General Project Plan**

**I. Project Summary**

**Grantee:** Oneida County (the “County”)

**ESD\* Investment:** A grant of up to \$300,000 to be used for a portion of the cost of construction of a 3,500-square-foot building at the Griffiss International Airport.

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

**Project Location:** Hangar Road, Rome, Oneida County

**Proposed Project:** Construction of a 3,500-square-foot building to hold a U.S. Customs and Border Patrol office at Griffiss International Airport

**Project Type:** Airport Investment

**Regional Council:** The project is consistent with the Mohawk Valley Regional Economic

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction	\$1,300,000	
Furniture, fixtures & equipment	<u>200,000</u>	
Total Project Costs	<u>\$1,500,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$300,000	20%
Grantee Equity	<u>1,200,000</u>	<u>80%</u>
Total Project Financing	<u>\$1,500,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Grantee History: Oneida County was formed in 1798 when it separated from Herkimer County. Historically, the County's economy was driven by the silverware industry. Today, the economy focuses mainly on textiles and agriculture, followed by metals manufacturing. Key regional economic drivers are the county's metals, firearms and food manufacturers.

Ownership: Municipality

ESD Involvement: Griffiss International Airport (the "Airport") is owned and operated by the County. The County transitioned Airport operations from the Town of Whitestown to Rome in 2007. The Airport is home to two heavy Maintenance and Repair and Overhaul companies that employs over 250 aircraft maintenance mechanics. Additionally, there are several smaller aviation and academic institutions situated on Airport property.

In 2012, the Airport was in jeopardy of losing its three largest tenants (Premiere Aviation, MidAir Aviation and Million Air) all of whom conduct business that involve international flights. MidAir Aviation and Premier Aviation also provide maintenance and repair operations, while Million Air must clear military crews returning from overseas. In addition, one of the tenants was projecting growth of 30% within the next two years and had been advised to begin clearing Air Canada flights in Buffalo NY due to space constraints at the Airport.

To address these concerns, the Airport needed to provide new facilities

and equipment. In 2012, the Airport sought to construct a new Customs and Border Patrol ("CBP") facility which would permit clearance of both civil and military aircraft crews arriving from international locations. As a result of the Governor's Regional Economic Development Council initiative, in 2012, the County was awarded a \$300,000 grant through the Consolidated Funding Application process to close a financing gap and allow the project to proceed.

Competition: N/A

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
LOCAL ASSISTANCE	X908	\$391,984	November 18, 2013	December 2014	Capital grant for flood mitigation due to Hurricane Irene.
Regional Council Capital Fund	X629	\$350,000	February 19, 2015	September 2014	Capital grant for renovation of an Airplane Hanger for testing and office space

**B. The Project**

Completion: August 2014

Activity: The project involves the construction of a 3,500-square-foot CBP facility at Griffiss International Airport. The facility will permit CBP clearance of civil and military aircraft crews arriving from international locations. The proposed facility is sized to meet customs and border patrol requirements for clearing international flights.

Results: The building includes all office space, equipment, and facilities required by CBP. The facility is crucial to the retention of the three largest airport tenants (Mid Air Aviation and Premier Aviation) which provide maintenance and repair operations.

**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 \$123,536;
- Fiscal cost to NYS government is estimated at \$300,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.41:1;
- Fiscal benefits to all governments (state and local) are estimated at \$208,065;
- Fiscal cost to all governments is \$300,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.69:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$1,059,303;
- The economic benefit to cost ratio is 3.53:1;
- Project construction cost is \$1,300,000 which is expected to generate 15 direct job years and seven 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.

**Grantee Contact:** Chad Lawrence, Department of Aviation Deputy Commissioner  
592 Hangar Road  
Rome, NY 13441  
Phone: (315) 736-4171

**ESD Project No.:** Y250

Project Team:	Origination	Joe Falcone
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$300,000 capital grant (\$3,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$300,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and documentation of construction and purchase and installation of furniture, fixtures and equipment project costs totaling \$1,700,000, as evidenced by a certificate of occupancy, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 22, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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.

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. 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 Grantee 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 25%, Minority Business Enterprise ("MBE") participation goal of 12.5% and a Women Business Enterprise ("WBE") participation goal of 12.5% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Photographs  
Project Finance Memorandum  
Benefit-Cost Analysis

May 18, 2015

Rome (Mohawk Valley Region – Oneida County) – Griffiss International Airport Customs and Border Patrol Facility Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 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 Griffiss International Airport Customs and Border Patrol Facility Capital -- Regional Council Capital Fund (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 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 Oneida County a grant for a total amount not to exceed Three Hundred Thousand (\$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 or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver

any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

\* \* \*

FOR CONSIDERATION

May 18, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Elmira (Southern Tier Region – Chemung County) – First Arena 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

---

General Project Plan

I. Project Summary

**Grantee:** First Excelsior Group, LLC (the “Group” or the “Company”)

**ESD\* Investment:** A grant of up to \$1,500,000 to be used for a portion of the cost of purchase and installation of machinery and equipment.

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

**Project Location:** 120 N. Main Street, Elmira, Chemung County

**Proposed Project:** Real estate acquisition and purchase of machinery and equipment to provide marketing and sponsorship opportunities for a variety of events throughout the year

**Project Type:** Business expansion involving job retention and creation.

**Regional Council:** The project is consistent with the Southern Tier Regional Economic Development Council’s plan to strengthen targeted industry that leverage unique economic assets and revitalize the region’s urban cores, main streets and neighborhoods.

Employment:	Initial employment at time of ESD Incentive Proposal:	75
	Current employment level:	96
	Minimum employment on January 1, 2015:	75

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$6,062,040
Machinery and Equipment	<u>1,535,755</u>
<b>Total Project Costs</b>	<b><u>\$7,597,795</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$1,500,000	20%	
Chemung Canal Trust Co.-Loan	1,500,000	20%	5%/1 yr./2nd lien on RE
Company Equity	<u>4,597,795</u>	<u>60%</u>	
<b>Total Project Financing</b>	<b><u>\$7,597,795</u></b>	<b><u>100%</u></b>	

III. Project Description

A. Company

**Industry:** First Excelsior Group, LLC is in the business of marketing and promoting a wide variety of events.

**Company History:** First Excelsior Group, LLC was formed on February 7, 2013, for the purpose of acquiring First Arena (the "Arena"), a major sports complex in downtown Elmira. The facility had been primarily known as a hockey arena that is only open 36 nights a year. The new vision is for the Arena is to continue to host professional hockey but also to produce and promote a wide variety of concerts, trade shows, and at least 100 other special events year round.

**Ownership:** The Group is a limited liability company.

**Size:** All facilities located in Elmira, NY.

**Market:** The Group will continue to draw professional hockey fans while promoting and marketing a wide variety of activities in order to make the Arena a destination location for other events and patrons.

**ESD Involvement:** By January 2013, the Company approached ESD for financial assistance with the purpose of acquiring the Arena located in downtown Elmira. In addition, the Group recognized the need to purchase and to install new

equipment in order to improve the Arena's ability to market its events. As a result of the Governor's Regional Economic Development Council Initiative, in April 2014, ESD awarded First Excelsior Group, LLC a \$1,500,000 capital grant through Round 3 of the consolidated Funding Application process to help with the financing of the project.

Competition: N/A

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

#### B. The Project

Completion: February 2015

Activity: The Group acquired the Arena complex and invested in new machinery and equipment including the installation of a new state-of-the-art digital score board with video capability and two new digital marquees outside of the building. The project also included mechanical system upgrades to make the ice floor more stable and energy efficient, including new brine circulating pumps, replacement of refrigerant, and repairs to piping and condensers.

Results: Retain 75 existing jobs including those directly employed by the Group, indirectly employed by the Group through Employment Solutions (a temporary agency) and by the tenant, Victory Associates which operates the professional hockey team the Elmira Jackals. In addition to the members of the hockey team, Victory Associates employs a coach, equipment manager and sales staff.

#### 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.

- Fiscal benefits to NYS government from the project are estimated at \$16,920;
- Fiscal cost to NYS government is estimated at \$1,500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.01:1;

- Fiscal benefits to all governments (state and local) are estimated at \$29,472;
- Fiscal cost to all governments is \$1,500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.02:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$214,056;
- The economic benefit to cost ratio is 0.14:1;
- Project construction cost is \$297,575 which is expected to generate three direct job years and one 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: Nathan Cook, President  
 120 N. Main Street  
 Elmira, NY 14901  
 Phone: (215) 760-7608

ESD Project No.: Z191

Project Team:	Origination	Jason Chiesa
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Vikas Gera
	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 \$1,500,000 capital grant (\$15,000) 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 \$1,500,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, including documentation verifying total project expenditures of approximately \$7,500,000, including machinery and equipment costs of \$1,500,000 for a new score board and digital marquees, as evidenced by a certificate of occupancy, and documentation of the employment of at least 75 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 June 2, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, 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.
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	75
---------------------	----

A	B
Date	Employment Goals
February 1, 2016	75
February 1, 2017	75
February 1, 2018	75

8. 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

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. 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 Grantee 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. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Photographs

Project Finance Memorandum

Benefit-Cost Analysis

May 18, 2015

Regional Council Award – Elmira (Southern Tier Region – Chemung County) – First Arena 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 First Arena 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 First Excelsior Group, LLC a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Regional Council Capital Fund , for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Tupper Lake (North Country Region – Franklin County) – Wild Center Wild Walk 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

---

General Project Plan

I. Project Summary

Grantee: Natural History Museum of the Adirondacks  
d/b/a The Wild Center ( the “Museum” or the “Wild Center”)

ESD\* Investment: A grant of up to \$1,000,000 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: 45 Museum Drive, Tupper Lake, Franklin County

Proposed Project: Construction of Phase 1 of a new outdoor exhibit walkway structure (“The Wild Walk”)

Project Type: Business expansion involving job retention

Regional Council: The project is consistent with the North Country Regional Economic Development Council’s Plan to support existing business entities, to support tourism, and to improve the quality of life in North Country communities.

Employment:	Initial employment at time of ESD Incentive Proposal:	38
	Current employment level:	38
	Minimum employment through January 1, 2020	38

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction	\$2,232,600	
Site Work	185,600	
Engineering/Administration	<u>322,800</u>	
<b>Total Project Costs</b>	<b><u>\$2,741,000</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	
ESD-Grant	\$1,000,000	36%
Grantee Equity	<u>1,741,000</u>	<u>64%</u>
<b>Total Project Financing</b>	<b><u>\$2,741,000</u></b>	<b><u>100%</u></b>

III. Project Description

A. Company

Industry: Museum/Tourism

Organization History: The Museum was established in 1999 as a natural history museum on 81 acres in Tupper Lake in the Adirondack Park. The 54,000-square-foot Museum provides indoor and outdoor science based programs, exhibits and experiences with 50 species of live animals, including otters, birds, and fish, all native to the Adirondacks.

Ownership: The Wild Center is a not-for-profit organization

ESD Involvement: The Wild Center needed financing assistance to construct The Wild Walk outdoor exhibit project. The Museum applied for financial assistance through Round 2 of the Consolidated Funding Application and the project was awarded \$1,000,000. Without ESD assistance the project would not be possible.

Past ESD Support: Since 2004, the Wild Center has received ESD funding for 2 projects totaling \$7,500,000. Both projects have been successfully completed.

## B. The Project

Completion: November 2014

Activity: The Museum planned, designed and constructed The Wild Walk, an outdoor Adirondack interpretative educational exhibit designed to connect visitors to the local Adirondack ecosystems with an elevated walkway through the treetops on a portion of the 81-acre Museum site.

Results: The project will retain 38 jobs. Completion of The Wild Walk will help the Museum to attract more visitors and develop a more sustainable business model. The project provides the ability to expand tourism and the visitor base with additional Adirondack interpretative educational programs, a new outdoor venue for visitors to explore, and is expected to develop additional Museum revenue through increased visitors and memberships.

### 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 \$1,309,780;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Project cost to NYS government per direct job is \$37,594;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$32,396;
- Ratio of project fiscal benefits to costs to NYS government is 1.31:1;
- Fiscal benefits to all governments (state and local) are estimated at \$2,211,598;
- Fiscal cost to all governments is \$1,000,000;
- All government cost per direct job is \$37,594;

- All government cost per total job is \$32,396;
- The fiscal benefit to cost ratio for all governments is 2.21:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$13,042,997, or \$422,538 per job (direct and indirect);
- The economic benefit to cost ratio is 13.04:1;
- Project construction cost is \$2,841,000, which is expected to generate 32 direct job years and 13 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.16 indirect jobs are 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: Kara Page, Development Officer  
 45 Museum Drive  
 Tupper Lake NY 12986  
 Phone: 518-359-7800

ESD Project No.: Y151

Project Team:	Origination Project Management Contractor & Supplier Diversity Finance Environmental	Rosemary Redmond John Vandeloo Denise Ross John Bozek 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 \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$1,000,000 will be disbursed to Grantee upon documentation of construction project costs totaling \$2,741,000, upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, and documentation of the employment of at least 38 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 June 18, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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.
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	38
---------------------	----

A	B
Reporting Date	Employment Goals
February 1, 2016	38
February 1, 2017	38
February 1, 2018	38
February 1, 2019	38
February 1, 2020	38

8. 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

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

The Wild Walk project is subject to the jurisdiction of the Adirondack Park Agency (“APA”) pursuant to Sections 807, 808 and 809 of the Executive Law and constitutes Class A and B regional project pursuant to the APA Act. The APA issued a project permit on June 18, 2013. Accordingly, 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 for the New York State Department of Environmental Conservation, 6 NYCRR Part 617.5(c)(36). No further environmental review is required in connection with ESD’s funding of the project.

#### VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policy will apply to the Project. The Company shall be required to use “good faith efforts” (pursuant to NYCRR § 142.8) to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 23%, a Minority Business Enterprise (“MWBE”) participation goal of 13% and a Women Business Enterprise (“WBE”) Participation goal of 10%, related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

#### VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

#### VIII. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Photograph  
Project Finance Memorandum  
Benefit-Cost Analysis

May 18, 2015

Regional Council Award – Priority Project – Tupper Lake (North Country Region – Franklin County) – Wild Center Wild Walk 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 Wild Center Wild Walk 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 the Natural History Museum of the Adirondacks d/b/a The Wild Center 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.

\* \* \*



FOR CONSIDERATION

May 21, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Middletown (Mid-Hudson Region – Orange County) – Touro College 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

---

General Project Plan

I. Project Summary

Grantee: Touro College (the “College”)

ESD\* Investment: A grant of up to \$1,000,000 to be used for a portion of the cost of renovation and construction.

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

Project Locations: 60 Prospect Avenue, Middletown\*  
230 West 125<sup>th</sup> Street, New York

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

Proposed Project: Redevelopment of the former Horton Hospital Tower into a state of the art osteopathic medical school that will include an on-site clinic and student housing.

Project Type: Educational and medical facility

Regional Council: The project is consistent with the Mid-Hudson Regional Council Plan to create jobs, foster a more sustainable economy, train the region's young people in the health care sector, as well as improving the delivery of quality healthcare throughout the Mid-Hudson region.

Employment: Initial employment at time of ESD Incentive Proposal: 134  
 Current employment level: 206  
 Minimum employment on January 1, 2017: 270\*\*

\*\*New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Leasehold Improvements	\$17,282,036
Furniture, Fixtures & Equipment ("FF&E")	4,088,259
Medical Equipment	1,017,440
Library Books & Periodicals	<u>5,179</u>
<b>Total Project Costs</b>	<b><u>\$22,392,914</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$1,000,000	4%	
DASNY 2014A Tax Exempt Bonds	10,000,000	45%	4.70%/27 yrs/Gross Revenue
Capitalized Facility Lease	4,702,080	21%	9.21%/20 yrs/1 <sup>st</sup> on RE
Capital Leases for FF&E	3,941,678	18%	2.13-4.24%/3-5 yrs/1 <sup>st</sup> on ME
Grantee Equity*	<u>2,749,156</u>	<u>12%</u>	
<b>Total Project Financing</b>	<b><u>\$22,392,914</u></b>	<b><u>100%</u></b>	

\*Source of Grantee equity is the College's institutional funds

III. Project Description

A. Grantee

College History: In 1790, George Washington visited the Touro Synagogue in Newport, Rhode Island, to speak about democracy, ethics, and equality and the American ideal. Washington's vision inspired Isaac and Judah Touro to pioneer their family's efforts to enrich the lives of people regardless of creed or color, through educational opportunities, spiritual outreach, and vocational enterprise. The Touro family began providing major endowments for universities, the first free library in North America, independent health facilities across the United State, and communities in

Israel. In 1970, in the tradition established by the early Jewish-American leaders, Dr. Bernard Lander founded Touro College to strengthen the Judaic tradition and serve the broader community with compassion and dignity. Chartered by the Board of Regents of the State of New York, the College welcomed its first 35 students in Liberal Arts and Sciences in 1971. Dr. Lander built a flourishing institution that reaches across the country and the world now enrolling over 19,000 students a year in a broad range of disciplines, including business, law, social work, Jewish studies, and technology.

- Ownership:** Touro College is a private educational institution.
- Size:** In addition to Middletown campus, Touro College has facilities in New York City and Islip.
- ESD Involvement:** In 2011, the Horton Hospital in Middletown and the Arden Hill hospital in Goshen closed and moved its patients to the new Orange Regional Medical Center on 707 East Main Street in Middletown. During the transition of opening the new Orange Regional Medical Center, a private developer became interested in purchasing Horton Hospital the Mid-Hudson has long sought to stem a brain drain of highly skilled young people from leaving the region. In particular, a medical school for the area has long been discussed. When the former hospital facility became available, Orange County officials approached Touro College, which agreed to consider adding a medical school contingent upon financing. A project of this magnitude required substantial public financing. As a result of the Governor's Regional Economic Development Council initiative, in 2012, the College was awarded a \$1,000,000 grant through the Consolidated Funding Application process to close a financing gap and allow the development of the first medical school in Orange County.
- Competition:** N/A
- Past ESD Support:** In 2003, Touro College received \$50,000 from ESD to cover a portion of the costs associated with constructing a law school in Central Islip.

**B. The Project**

- Completion:** March 2015
- Activity:** Touro College is leasing the former Horton Hospital campus from Danzer Leser Group. The Horton Tower facility has been renovated into a state-of-the-art Osteopathic medical school with an onsite clinic and student housing. The College completed leasehold improvements and purchased furniture, fixtures, equipment, books and periodicals.

**Results:**

The College, to be known as TouroCOM-Middletown, is expected to hire faculty and staff and admitted its inaugural class in the summer semester of 2014. At TouroCOM-Middletown, it is estimated that 150 construction jobs will be created and once the school is fully operational, an approximately 800 indirect full-time equivalent jobs will be created in Middletown and throughout the Mid-Hudson region as a result of the medical school at the Horton campus, the creation of residency programs at various regional hospitals such as Orange Regional Medical Center in Middletown and Catskill Regional Medical Center in Harris, and a number of administrative positions that will be needed in order to adequately manage both residency and clinical rotations programs. The project will also provide more local access to state-of-the-art healthcare.

**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 \$3,988,979;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Project cost to NYS government per direct job is \$14,427;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$11,616;
- Ratio of project fiscal benefits to costs to NYS government is 3.99:1;
- Fiscal benefits to all governments (state and local) are estimated at \$6,875,218;
- Fiscal cost to all governments is \$1,000,000;
- All government cost per direct job is \$14,427;
- All government cost per total job is \$11,616;
- The fiscal benefit to cost ratio for all governments is 6.88:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$36,320,483, or \$421,908 per job (direct and indirect);
- The economic benefit to cost ratio is 36.32:1;
- Project construction cost is \$17,282,036, which is expected to generate 116 direct job years and 58 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.24 indirect jobs are 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: Jerry Cammarata, Chief Operating Officer  
230 West 125th Street  
New York, NY10027  
Phone: (845) 648 1102

ESD Project No.: Y269

Project Team:	Origination	Charles Radier
	Project Management	Charise Liggins
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Design & Construction	Peter Topor
	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 \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$1,000,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$500,000) upon completion of the project substantially as described in these materials, and

documentation of the employment of at least 206 Full-time Permanent Employees at the Project Location (Employment Increment of 72) , assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of an amount equal to 25% of the grant (\$250,000) will be disbursed upon documentation of the employment of at least 241 Full-time Permanent Employees at the Project Location (Employment Increment of 35), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$250,000) will be disbursed upon documentation of the employment of at least 270 Full-time Permanent Employees at the Project Location (Employment Increment of 29), 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 May 9, 2015, 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 \$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.
- 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	134
---------------------	-----

A	B
Reporting Date	Employment Goals
February 1, 2016	134+X+Y+Z
February 1, 2017	134+X+Y+Z
February 1, 2018	134+X+Y+Z
February 1, 2019	134+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=72, and Employment Goals shall equal  $[134 + X = 206]$  if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=35, and Employment Goals shall equal  $[134 + X + Y = 241]$  if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=29, and Employment Goals shall equal  $[134 + X + Y + Z = 270]$  if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

#### 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. 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 Grantee shall be required to use good faith efforts (pursuant to 5 NYCRR §142.8) to achieve

an overall Minority and Women Business Enterprise (“MWBE”) participation goal of 40%, Minority Business Enterprise (“MBE”) participation goal of 20% and a Women Business Enterprise (“WBE”) participation goal of 20% related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

May 21, 2015

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

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regional Council Award – Middletown (Mid-Hudson Region – Orange County) – Touro College Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Touro College a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund - RC 2, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

\* \* \*

FOR CONSIDERATION

May 18, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award - Kingston (Mid-Hudson Region - Ulster County)  
– The Solar Energy Consortium 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

---

General Project Plan

I. Project Summary

**Grantee:** The Solar Energy Consortium (“TSEC”)

**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 Locations:** 137 N. Chestnut Street, New Paltz  
321 S William Street, Newburgh  
37 West Broad Street, Haverstraw  
491 Cottekill Road, Stone Ridge  
2012 US 9W, Milton

**Proposed Project:** Purchase of highly specialized equipment for a machinist training center located in Newburgh and testing/characterization/training labs located at the other four locations.

**Project Type:** Capital

Regional Council: The project is consistent with the Mid-Hudson Regional Economic Development Council Regional Plan because it supports the sustainability and growth of advanced high-tech manufacturing in the Mid-Hudson region.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Machinery & equipment	\$1,390,000
Property acquisition & fit-up	1,030,000
Labor	240,000
Rent/Lease	207,000
Utilities	48,000
Training	<u>565,000</u>

Total Project Costs \$3,480,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,000,000	28.7%
Orange County IDA	810,000	23.3%
U.S. Dept. of Commerce, EDA*	550,000	15.8%
SUNY Rockland	315,000	9.1%
IBM Corporation	300,000	8.6%
Sono-Tek Corporation	175,000	5.0%
SUNY Ulster	122,000	3.5%
Solar Energy Consortium	111,000	3.2%
Newburgh Armory Unity Center	82,000	2.4%
Workforce Development Institute	<u>15,000</u>	<u>0.4%</u>

Total Project Financing \$3,480,000 100%

\*U. S. Department of Commerce, Economic Development Administration

III. Project Description

A. Company

Industry: Solar/Renewable Energy/Advanced High-Tech Manufacturing

Company History: The Solar Energy Consortium was formed in 2007 to assist manufacturing and R&D firms in the solar and renewable energy sector and related business to innovate, grow, prosper and become autonomous and sustainable. TSEC's key measure of success is the creation of higher skill manufacturing and R&D jobs. Over the past four years through the attraction and growth of solar energy-related companies to New York

State, it has created over 800 skilled jobs. They offer technical support by helping firms identify R&D and product development needs; leverage key industry and university partnerships for technical expertise and support to solve problems and improve operating performance; and provide financial modeling and other business planning services, including market/risk assessments to support business plans.

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

Size: TSEC has 8 paid employees and 20 volunteers.

ESD Involvement: TSEC is seeking to provide specialized equipment and space to house advanced manufacturing businesses to test new products, improve operations and increase global competitiveness. Also, with regional education partners, TSEC is seeking to create a pipeline of highly-skilled laborers to support the growth of advanced manufacturing businesses throughout the Mid-Hudson region.

In 2012, TSEC secured space for a characterization lab for advanced manufacturing companies. They also partnered with the Orange County Industrial Development Agency in creating an education center at the Newburgh Armory Unity Center.

In July 2012, TSEC applied through Round 2 of the Consolidated Funding Application for support to bridge the funding gap. The funds were used to support the purchase of additional specialized equipment housed at the Newburgh Armory and other characterization/training facilities throughout the Mid-Hudson region.

Past ESD Support: In 2008, The Solar Energy Consortium received \$750,000 from ESD to cover a portion of the costs associated with purchasing machinery and equipment.

## B. The Project

Completion: July 2018

Activity: TSEC partnered with the Orange County Industrial Development Agency to renovate and equip the Newburgh Armory Unity Center to accommodate the Machinist and Automated Equipment Training/Education Center. The Center's basement area has been renovated to serve as a hands-on craft training center and a Cisco Tele-presence smart classroom has been created on the second floor of the building to provide a classroom setting to supplement the hands-on training. Space has also been created in the basement to accommodate

both a welding training area and a separate training room, which can be used to train workers for employment in other manufacturing industries.

Additional training facilities have been identified in Haverstraw, Stone Ridge and Milton where some equipment will be located to support learning and development. In New Paltz, a testing and characterization lab was developed to support Mid-Hudson region manufacturers' testing of new product ideas.

**Results:** As a result of the new training and education center, 25 individuals were able to complete the multi-week training program that prepared them for entry-level positions. Mid-Hudson Valley corporations have the expertise to compete globally but cannot afford to purchase highly specialized equipment on their own. By sharing access to specialized equipment along with scientific expertise in emerging technologies and materials, small, high-tech firms will be able to design and test new products and develop processes increasing their global competitiveness. There is also demand for trained machinists in the area as the existing population of trained machinists is aging out.

#### Economic Growth

**Investment Project:** This project is an Economic Growth Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

**Grantee Contact:** Carl Meyer, President & CEO  
434 Old Neighborhood Road  
Kingston, NY 12401  
Phone: 845-336-0100 ex. 204

**ESD Project No.:** Y323

<b>Project Team:</b>	Origination	Charles Radier
	Project Management	Charise Liggins
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	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 \$1,000,000 (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company 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 the Grantee in four installments as follows:
  - a) an Initial Disbursement of an amount equal to 40% of the grant (\$400,000) upon completion of property acquisition and fit up and initial purchase and installation of machinery and equipment as documented by project expenditures of approximately \$1,400,000, including \$700,000 in machinery and equipment;
  - b) a Second Disbursement of an amount equal to 40% of the grant (\$400,000) will be disbursed upon verification of an additional \$700,000 in machinery and equipment and installation project costs (cumulative project expenditures of approximately \$2,100,000);
  - c) a Third Disbursement of an amount equal to 10% of the grant (\$100,000) will be disbursed upon verification of an additional \$800,000 in project costs (cumulative project expenditures of approximately \$2,900,000); and
  - d) a Fourth Disbursement of an amount equal to 10% of the grant (\$100,000) will be disbursed upon verification of an additional \$580,000 in project costs (cumulative project expenditures of approximately \$3,480,000).

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 July 13, 2013, 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 \$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.
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.
7. A reserved capacity of up to 20 percent of the usage of machinery and equipment being reimbursed by ESD's grant shall be established, which ESD shall assign to third parties ("NYS Users") for their use. ESD will accept requests for usage and, in consultation with a representative from the Recipient and an identified industry expert (as determined by ESD), shall determine if the request is reasonable and should be granted. Upon completion of the review or if no review occurs, after the period for such review, not to exceed 15 business days, the Recipient shall execute a separate agreement with each NYS User regarding the use of the equipment purchased under this term sheet. NYS Users will include but not be limited to New York State colleges, universities, and small- and medium-sized businesses. Upon completion of the installation of the equipment, the NYS User Reserved Capacity will be effective for 5 years.

#### 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

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned businesses (MWBs) in the performance of ESD projects. For purposes of this project, however, Minority and Women-owned Business Enterprise ("MWBE") participation

goals will not be established due to the unavailability of certified MWBEs for performance of this Project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Finance Memorandum

May 18, 2015

Regional Council Award - Kingston (Mid-Hudson Region – Ulster County) – The Solar Energy Consortium 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 The Solar Energy Consortium 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 The Solar Energy Consortium a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver

any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

\* \* \*



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Central New York Biotech Accelerator 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

---

General Project Plan

I. Project Summary

Grantee: The Research Foundation for SUNY ("SUNY RF") on behalf of the SUNY College of Environmental Science and Forestry

Beneficiary: SUNY College of Environmental Science and Forestry ("ESF" or the "College")

ESD\* Investment: A grant of up to \$500,000 to be used for a portion of the cost of the purchase and installation of instruments and equipment.

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

Project Location: 842 East Fayette Street, Syracuse, Onondaga County

Proposed Project: Purchase and install instruments and equipment for use by biotech incubator tenants and various university collaborators

Project Type: University-industry partnership

Regional Council: The project is consistent with the Central New York ("CNY") Regional Economic Development Council's Plan to support and grow the region's biosciences, a core industry cluster, and to support the creation of the CNY Ennovation Gateway which integrates the region's core industry clusters in clean technology, biosciences and advanced manufacturing.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Instruments & Equipment	<u>\$1,000,000</u>	
Total Project Costs	<u>\$1,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	50%
Grantee Equity	<u>500,000</u>	<u>50%</u>
Total Project Financing	<u>\$1,000,000</u>	<u>100%</u>

III. Project Description

A. Organization

Industry: The Research Foundation for SUNY is a grant management organization. The Central New York Biotech Accelerator (the "Accelerator") is a new innovation center which houses university-industry partnerships working to discover, develop and deploy innovative products for the biological and medical marketplaces. This incubator will provide startup laboratory and development space for biotech companies.

Organizational History:

Established in 1951, the Research Foundation of State University of New York administers externally funded contracts and grants for and on behalf of the State University of New York. SUNY RF provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution.

Established in 2013, the Accelerator is a facility and program built with the direct support and in partnership with the Research Foundation, SUNY College of Environmental Science and Forestry and SUNY Upstate Medical University, and promotes the commercialization of biotech and life science technologies centered in the bio-medical and bio-technology areas. It is also supported by other area institutions such as Syracuse

University, CenterState CEO, and the Syracuse VA Medical Center. The Accelerator's mission is to support university-industry partnerships that discover, develop and deploy innovative products for the bioscience marketplaces. Client companies apply to the Accelerator and are selectively chosen based upon the nature of their technology, a demonstrable unmet or underserved market need for the product or service and their commitment to entrepreneurial best practices as identified by the Accelerator. The Accelerator is designed to help client companies mature their business plan, gain market understanding, and develop their team, product and company infrastructure to move their vision to commercial markets, ultimately resulting in high-value job creation in Central New York.

**Ownership:** SUNY RF is a not-for-profit educational corporation.

**Size:** SUNY RF has over 17,000 employees statewide.

**ESD Involvement:** The dedication and vision to grow biotechnology enterprises in CNY has been a long time in coming. This is the region's first incubator dedicated to commercializing medical and industrial biotechnologies. The Accelerator will draw on the environmental, bio-industrial, bio-research and medical specialization of SUNY RF, ESF and its other partners. A project of this magnitude cannot be undertaken by these institutions alone. In 2012, through Round 2 the Regional Economic Development Council Consolidated Funding Application process, SUNY RF was awarded a \$500,000 grant to fill a financing gap that allowed this phase of the project to proceed.

**Competition:** N/A

**Past ESD Support:** Although ESD has committed millions of dollars in past funding to projects benefitting from SUNY RF throughout the State, this is the Grantee's second project with ESD for the Central New York Biotech Accelerator. Previous funding is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Local Assistance	Y554	\$200,000	January 16, 2014	End of 2015 completion	Working capital to support the Accelerator's operations

B. The Project

Completion: May 2015

Activity: SUNY RF and ESF, in cooperation with its partners, have acquired and installed specialized instruments and equipment to support the Accelerator's mission. The equipment consists of bench top and floor mounted refrigerated centrifuges, forced air and vacuum ovens, shaking incubators, balances and scales for weighing, a high pressure liquid chromatograph, optical microscopes, and a controlled environment cell culture chamber. These items will complement equipment already donated from industries in Central New York such as Bristol Meyers Squibb, O'Brien and Gere and others.

Results: The project has resulted in the opening of two of three potential floors of incubator space, including lab and office suites, with a capacity of up to 15 start-ups. (A future phase will open the third floor, providing an ultimate total of 40,000 square feet with a capacity for up to 25 start-ups.) The Accelerator will also provide support to regional academic institutions whose staff and technical experts provide mentoring and support to the client companies and the development of programs that support the Accelerator's vision. The project will provide businesses and university partners access to bioscience commercialization resources and enhance the ability to compete globally. It is estimated that the Accelerator has the potential to foster the creation of over 20,000 jobs in the five-county Central New York region over the next 20 years. Due to its location, the project will also provide opportunities in the City of Syracuse's urban core.

**Economic Growth**

Investment Project: This project is an Economic Growth Investment project that does not yet 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.

Grantee Contact: Justine Gordon, Associate Director, Grants and Contract Administration  
The Research Foundation for SUNY  
35 State Street  
Albany, NY 12207  
Phone: (518) 434-7105

Beneficiary Contact: Arthur J. Stipanovic, Professor  
Department of Chemistry  
1 Forestry Drive  
Syracuse, NY 13210  
(315) 470-4934

ESD Project No.: Y310

Project Team:	Origination	Ray Lawrence
	Project Management	Edward Muszynski
	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 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 \$500,000 will be disbursed to Grantee in a lump sum upon the purchase and installation of \$1 million in instruments and equipment and 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. Expenditures reimbursed by ESD must have been incurred after December 19, 2012. All disbursements must be requested by April 1, 2016.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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 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 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 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 Photographs  
Project Finance Memorandum

May 18, 2015

Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Central New York Biotech Accelerator 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 Central New York Biotech Accelerator Capital -- Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Research Foundation for SUNY on behalf of the SUNY College of Environmental Science and Forestry 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.

\* \* \*



**FOR CONSIDERATION**

May 18, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Aurora (Central New York Region – Cayuga County) – Rowland House 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; Determination of No Significant Effect on the Environment

---

**General Project Plan**

**I. Project Summary**

**Grantee:** Aurora Inn, Inc. ("Aurora" or the "Company")

**ESD\* Investment:** A grant of up to \$250,000 to be used for a portion of the cost of construction and renovation of Rowland House.

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

**Project Locations:** 453 Main Street, Aurora, Cayuga County\*  
170, 283, 384, 385, 391, and 431 Main Street, Aurora, Cayuga County

\*Project activity site; others are job-retention sites

**Proposed Project:** Construction and renovation of the historic Rowland House ("House")

**Project Type:** Business expansion involving job retention and creation

Development Plan to support and encourage opportunities for tourism in the Region.

Employment: Initial employment at time of ESD Incentive Offer: 86\*  
 Current employment level: 93\*  
 Minimum employment on January 1, 2017: 94\*

\* New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction & Renovation	\$5,944,775
Furniture, Fixtures & Equipment	144,000
Site Prep	274,000
Electrical	10,550
Soft Costs	<u>2,022,260</u>
<b>Total Project Costs</b>	<b><u>\$8,395,585</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$250,000	3%
Company Equity	<u>8,145,585</u>	<u>97%</u>
<b>Total Project Financing</b>	<b><u>\$8,395,585</u></b>	<b><u>100%</u></b>

III. Project Description

A. Company

Industry: Hospitality services

Company History: The Inns of Aurora, Rowland House, E.B. Morgan House, and Leffingwell House are three historic, 19<sup>th</sup> Century lakeside properties that were recently restored through the work of educator, reporter, writer, entrepreneur and philanthropist, Pleasant T. Rowland. These properties provide luxury accommodation and fine dining in the heart of the Finger Lakes. The properties form the backbone of Aurora Inn, Inc. which operates several businesses along Main Street in the Village of Aurora ("Village"). In addition to the above mentioned properties, the Company manages the historic Fargo Bar & Grill, The Village Market, and Dorie's Bakery/Pizza Parlor. The Company also provides all food service for Wells College. More than 110 people are employed in the area thanks to the operation of Aurora and its businesses during peak tourist season.

**Ownership:** The Company was a wholly-owned for-profit subsidiary of Wells College until it was sold in December 2013 to Pleasant T. Rowland. Today, Aurora is a privately-owned company.

**Size:** Aurora employs approximately 100 people among all of its business operations.

**Market:** Aurora provides hospitality services and signature high-end tourist attractions to the Finger Lakes region.

**ESD Involvement:** Rowland House is a 10,000-square-foot, turn-of-the-century, lakeside mansion which has remained vacant since 2006. In 2001, as a gift to her alma mater, Pleasant T. Rowland funded an extensive, five year restoration of Aurora Inn and E.B. Morgan House in addition to several other commercial properties owned by Wells College in the Village. The purpose of the restorations was to preserve historic spaces, return magnificent old homes to use, and infuse new life into Aurora by creating vibrant social hubs for the community and visitors to the area.

Aurora began planning to restore the House in August 2011, and in October of that same year, realized a shortfall in its financing to complete construction. Aurora applied for assistance through the Round I Consolidated Funding Application. Without ESD's assistance, the project could not have taken place.

**Competition:** N/A

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

**B. The Project**

**Completion:** April 2014

**Activity:** Rowland House was renovated into a high-end inn featuring 10 guest rooms, a 20-seat conference room, a living room, a 22-seat private dining room, a new library and kitchen, a wrap-around porch, and renovations to its historic Greek temple, boathouse and dock. Improvements were also made to the House's electrical systems and HVAC to achieve energy sustainability through the inclusion of geothermal systems. Construction began on the House in January 2013 and was completed in April 2014. In May 2014, the House was opened to the public.

**Results:** Retain 86 jobs and create 8 new jobs at Rowland House. The Company has already created 7 new jobs.

## Business Investment

### Project:

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

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$1,813,127;
- Fiscal cost to NYS government is estimated at \$250,000;
- Project cost to NYS government per direct job is \$5,017;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$3,940;
- Ratio of project fiscal benefits to costs to NYS government is 7.25:1;
- Fiscal benefits to all governments (state and local) are estimated at \$3,067,266;
- Fiscal cost to all governments is \$250,000;
- All government cost per direct job is \$5,017;
- All government cost per total job is \$3,940;
- The fiscal benefit to cost ratio for all governments is 12.27:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$13,961,598, or \$220,020 per job (direct and indirect);
- The economic benefit to cost ratio is 55.85:1;
- Project construction cost is \$7,786,656, which is expected to generate 71 direct job years and 46 indirect job years 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 one year.

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

### Grantee Contact:

Sue Edinger, Director and General Manager  
391 Main Street  
Aurora, NY 13026  
Phone: (315) 364-8814

ESD Project No.: X960

Project Team:	Origination	Ray Lawrence
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Vikas Gera
	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 \$250,000 capital grant (\$2,500) 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. 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 \$250,000 will be disbursed to Grantee upon completion of the project as evidenced by a certificate of occupancy, and documentation of project costs totaling \$7,750,000, and documentation of the employment of at least 94 Full-time Permanent Employees at the Project Locations (At least 86 Full-time permanent employees at the job retention Project Locations and at least 8 Full-time Permanent Employees at 453 Main Street) (Employment Increment of 8), 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 16, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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.
  
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 number (for the preceding calendar year) of Grantee's Full-time Permanent Employees, as defined above, as of each 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, then ESD will have the right to terminate the grant agreement and withhold any grant proceeds not yet disbursed. 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	86
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2016	86 + X
February 1, 2017	86 + X
February 1, 2018	86 + X
February 1, 2019	86 + X

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant as described in section C.5 above (i.e. X=8, and Employment Goals shall equal [86 + X = 94] if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial Disbursement has not yet been made then X=0.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013, 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, 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 30%. The overall goal shall include a Minority Business Enterprise Participation Goal of 25% and a Women Business Enterprise Participation Goal of 5% 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
- Project Photographs
- Project Finance Memorandum
- Benefit-Cost Analysis

May 18, 2015

Regional Council Award – Aurora (Central New York Region – Cayuga County) – Rowland House Capital – Regional Council Capital 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

---

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 Rowland House 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 Aurora Inn, Inc. a grant for a total amount not to exceed Two Hundred and 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 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.

\* \* \*

May 18, 2015

**Regional Council Award - Aurora (Central New York Region – Cayuga County) – Rowland House Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment**

---

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

\* \* \*



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Market NY Grant Program – Regional Tourism Marketing Competition –  
Market New York Program (Capital Grant)

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

---

I. Project Summary

Schedule	Project #	Grantee	Project Name	Grant Amount
A	Z145	The Geva Theatre Center	Historic Armory Renovations Front Center Campaign Capital	\$25,000

ESD\* Investment: Up to a total of \$25,000 of \$10,000,000 in Market NY Regional Tourism grant assistance to be used for tourism marketing throughout various regions of New York State

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

Project Locations: Statewide - See Schedule A attached

Proposed Projects: See Schedule A attached

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

Anticipated  
Appropriation  
Source(s): Market New York Program - NY Works

II. Project Cost and Financing Sources

See Schedule A attached.

III. Project Description

A. Background

Round 3 of the Regional Council Consolidating Funding Application included, up to \$10 million for *Market NY*, a program that will support regionally themed New York focused projects. *Market NY* will help to bolster tourism growth by promoting tourism destinations, attractions, and special events. Additionally, Market 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 create or retain jobs and/or increase tourism in a community or region. Grant funding will be allocated among the ten regions, each represented by a Regional Council, based on each Regional Council's development and implementation of a five-year strategic plan that sets out a comprehensive vision for economic development and specific strategies to implement that vision. Funding will be allocated to projects, including priority projects identified by the regional councils, identified as significant, regionally supported and capable of stimulating economic investment through attraction of tourists to the dedicated area.

B. The Project

ESD will make available a total of \$25,000 to fund one (1) Tourism Facility Funding capital projects. The grantee has identified and prioritized a Tourism Facility Funding project 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 Grantees will carry out their Tourism Facility Funding capital 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	Kelly Rabideau-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 \$25,000 collectively for the project, 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 – Market New York Program – NY Works

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. Environmental Review

Unless otherwise noted on a project summary attached as Schedule A, ESD staff has determined that the projects described in Schedule A either constitute Type II actions or do not constitute actions as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policies will apply to the projects. Each Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal, each project has been assigned an individual goal by the Office of Contractor & Supplier Diversity based on the elements of the individual project and related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since these projects will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Requested Actions

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

X. Recommendation

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

XI. Additional Submissions to Directors

Resolutions  
Schedule A (A)

May 18, 2015

Statewide – Market NY Grant Program – Regional Tourism Marketing Competition –  
Market New York - NY Works (Capital Grant) – 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 Market NY Grant Program - Tourism Facility Funding (the "Project") – Market New York - NY Works (Capital Grant), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the areas of the Projects; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants for up to a total amount not to exceed (\$25,000) from Market New York - NY Works for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

## A. Historic Armory Renovations Front Center Campaign Capital (Z145)

May 18, 2015

- Grantee:** The Geva Theatre Center (“GTC” or the “Organization”)
- ESD Investment:** A grant of up to \$25,000 to be used for regional tourism facility funding.
- Project Location:** Monroe County
- Proposed Project:** Initiation of capital improvements that will transform a national historically significant building into a dynamic world-class tourism asset for the region
- Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in January 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – The Geva Theatre Center is an organization that has a mission to create and produce professional theatre productions, programs and services of a national standard. GTC has approximately 10,000 season ticket holders, more than any other performing arts, entertainment or sporting venue in Rochester. GTC is located in an historic building, over 140 years old, steeped in local and regional history.

Ownership – The Geva Theatre Center is a not-for-profit organization.

ESD Involvement – A \$25,000 grant from the Market NY Grant Program

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

Program	Project #	Amount	Date Start (ESD Director's Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
Regional Council Capital Fund	Y221	\$100,000	July 18, 2013	August 2014	Capital grant for facility improvements
Market NY	Z146	\$25,000	April 16, 2015	July 2015	Tourism marketing

### The Project:

Completion date – July 2015

Activity – The Organization will initiate capital improvements to the Geva Theatre Center. Specifically, the project involves planning, design, renovation, and upgrades to the building's HVAC system.

**Historic Armory Renovations Front Center Campaign Capital (Z145)**

May 18, 2015

Results – The GTC seeks to increase its audience and supporters, as well as to use the Organization’s increased visibility in the Finger Lakes Region to expand the tourism economy, and attract new visitors and residents who seek cultural enrichment.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction/Renovation	\$756,442	ESD Grant	\$25,000	3%
		Grantee Equity	\$731,442	97%
Total Project Costs	\$756,442	Total Project Financing	\$756,442	100%

**Grantee Contact:** Thomas Parrish, Executive Director  
The Geva Theatre Center  
75 Woodbury Boulevard  
Rochester, NY 114607  
Phone: (585) 420-2036

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

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$25,000 capital grant (\$250) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee’s written acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$25,000 will be disbursed to Grantee, in lump sum upon project completion, as evidenced by attainment of a certificate of occupancy and/or other documentation verifying project completion as ESD may require, and documentation verifying project expenditures of approximately \$731,442. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.

## Historic Armory Renovations Front Center Campaign Capital (Z145)

May 18, 2015

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$25,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors

### **Non-Discrimination and Contractor & Supplier Diversity:**

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

### **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.

Due to the building's inclusion on 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. No further consultation is required.

### **Statutory Basis – Market New York Program:**

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.

### **Disclosure and Accountability Certifications:**

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



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award Projects Consent Calendar

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

Attached is a summary of a Regional Council Award project requesting ESD assistance of \$100,000 and under in the following categories:

	Project Name	Proj #	Grantee	Assistance up to
	<b>Regional Council Capital Fund</b>			
A	Browder's Birds Capital	Y813	Browder's Birds, LLC	\$61,375
	<b>Urban and Community Development Program</b>			
B	Dutchess County Strategic Planning Study Working Capital	Z287	Dutchess County	\$25,000
C	Village of Brewster Strategic Planning Study Working Capital	Z068	Village of Brewster	\$22,500
			<b>TOTAL</b>	<b>\$108,875</b>

The provision of ESD\*\* financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

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

Environmental Review

Unless otherwise noted on a project summary, ESD staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act

and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

#### Office of Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Supplier Diversity policy will apply to the projects. In the case of training, global export market service and productivity improvement projects, the grantees and/or the beneficiary companies, as applicable, shall use their good faith efforts to provide for the meaningful participation of minorities and women in any job or training opportunities created by the projects and to solicit and utilize minority and women-owned businesses for any contractual opportunities generated in connection with the projects.

For all other projects, unless otherwise specified in the project summary, grantees shall use their good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantee shall use good faith efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the Projects.

#### Reallocation of Funds

ESD may reallocate each project's funds to another form of assistance, at an amount no greater than the amount approved, for the same project if ESD determines that the reallocation of the assistance would better serve the needs of the recipient and the state of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply because these projects do not directly create jobs.

#### ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

Statutory Basis – Regional Council Capital Fund

The projects were 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(s).

Statutory Basis – Urban and Community Development Program

This project is authorized under Sections 5(4) and 16-d of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria for a working capital grant as set forth in the Act and the rules and regulations for the Urban and Community Development Program. No residential relocation is required as there are no families or individuals residing on the site.

Attachments

New York State Map

Resolutions

Project Summaries

May 18, 2015

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

---

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amounts listed below from the 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;

Regional Council Capital Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Browder's Birds Capital	Y813	Browder's Bird, LLC	\$61,375
			<b>TOTAL</b>	<b>\$61,375</b>

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.

\* \* \*

May 18, 2015

Urban and Community Development Program – Findings and Determinations Pursuant to Sections 10 (g) and 16-d of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

---

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the "Plan") for the 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 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;

Urban and Community Development Program

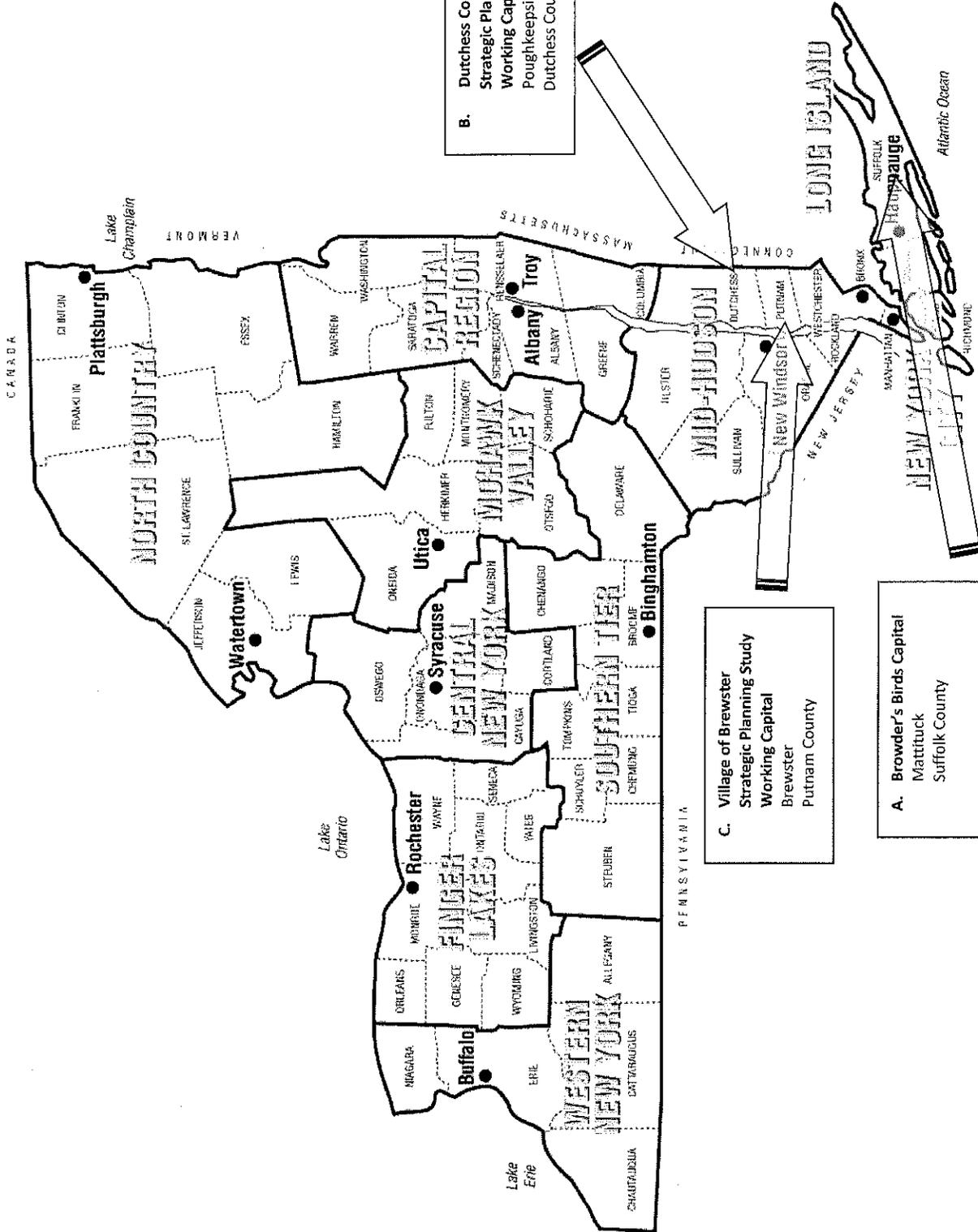
	Project Name	Proj #	Grantee	Assistance up to
B	Dutchess County Strategic Planning Study Working Capital	Z287	Dutchess County	\$25,000
C	Village of Brewster Strategic Planning Study Working Capital	Z068	Village of Brewster	\$22,500
			<b>TOTAL</b>	<b>\$47,500</b>

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.

\* \* \*

**Regional Council Awards**



**B. Dutchess County Strategic Planning Study Working Capital**  
 Poughkeepsie  
 Dutchess County

**C. Village of Brewster Strategic Planning Study Working Capital**  
 Brewster  
 Putnam County

**A. Browder's Birds Capital**  
 Mattituck  
 Suffolk County

Atlantic Ocean



## A. Browder's Birds Capital (Y813)

May 18, 2015

### General Project Plan

- Grantee:** Browder's Birds, LLC ("Browder" or the "Company")
- ESD Investment:** A grant of up to \$61,375 to be used for a portion of the cost of the purchase of machinery and equipment.
- \* The New York State Urban Development Corporation doing business as Empire State Development ("ESD" or the "Corporation")
- Project Location:** 4050 Soundview Avenue, Mattituck, Suffolk County
- Proposed Project:** Acquisition, site preparation and installation of a Mobile Processing Unit to expand an organic poultry farm operations
- Project Type:** Business expansion involving job retention and creation
- Regional Council:** The project is consistent with the Long Island Regional Economic Development Council's plan to boost profits for farmers, reduce costs for consumers and create a new industry for locally grown food. While sustainable agriculture is present and strong on Long Island, it needs greater support in order to transform conventional agriculture into more sustainable practices and to transport produce to communities in need of fresh produce. Suffolk County ranks second of all counties in the US in chicken production.
- Employment:**
- |   |    |
|---|----|
| Initial employment at time of ESD Incentive Proposal: | 1  |
| Current Employment level:                             | 3  |
| Minimum employment on January 1, 2015:                | 2* |
- \* May include two part-time seasonal employees

### **Background:**

Industry – Poultry farm

Company History - In 2012, Browder purchased a 16-acre poultry farm in Mattituck, NY. The Company specializes in raising certified organic chickens.

Ownership - The Company is privately owned.

Size - All facilities located in Mattituck, NY.

## Browder's Birds Capital (Y813)

May 18, 2015

Market - Browder's services the local certified organic chickens and egg consumer market in Long Island.

ESD Involvement –Browder's Birds needed to undertake an expansion project because the demand for its product far exceeded the supply. New York State's small farm exemption currently only allows Browder's to sell 1,000 chickens every year from its 16-acre farm in Mattituck and the Company has sold out of its product each of the last two years. To increase production, the Company has become licensed with the New York State Department of Agriculture and Markets as an operator of a mobile processing unit ("MPU"). The grant will assisted the Company with acquisition of the MPU, a 28-foot aluminum trailer filled with stainless steel equipment that will enable the Company to process over 500 poultry animals per day, increasing production to 20,000 birds annually.

Competition – N/A

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

### The Project:

Completion – November 2014

Activity - The Company purchased a Mobile Process Unit to increase production of poultry, increase sales, and create jobs on their Long Island facility.

Results - Retain 1 existing job and create 1 new job. The Company has already created 2 new jobs.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$81,203, which exceed the cost to the State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure / Site Work	\$167,000	ESD Grant	\$61,375	21%
Machinery & Equipment Acquisition	120,000	Farm Credit Loan for MPU	75,000	26%
		Farm Credit Unfunded Commitment	50,000	18%
		NYS New Farmer Grant	23,808	8%
		Cornell Coop Extension	3,000	1%
		Company Equity	73,817	26%
Total Project Costs	\$287,000	Total Project Financing	\$287,000	100%

**Browder's Birds Capital (Y813)**

May 18, 2015

Grantee Contact - Chris Browder, Owner  
PO Box 36  
Southold, NY 11971  
Phone: (631) 477-6523

<u>Project Team</u> -	Origination	Brian Scripture
	Project Management	Jillian Drummond
	Contractor & Supplier Diversity	Vikas Gera
	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 \$61,375 capital grant (\$614) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
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 \$61,375 will be disbursed to the Grantee in two installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$30,687) upon documentation of project costs totaling \$120,000 for acquisition and deliver of a

## Browder's Birds Capital (Y813)

May 18, 2015

Mobile Processing Unit and verification that the Mobile Processing Unit has been installed following all applicable New York State Department of Agriculture and Markets regulations, 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 (\$30,687) will be disbursed upon documentation of the employment of at least 2 Full-time Permanent Employees, which may include 2 Part-time Seasonal Employees, at the Project Location (Employment Increment of 1) and total project expenditures of approximately \$287,100, including \$167,100 in infrastructure and site work, provided Grantee is otherwise in compliance with program requirements;

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after January 15, 2014 to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$61,375, 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;

**Browder's Birds Capital (Y813)**

May 18, 2015

- (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	1
---------------------	---

A	B
Reporting Date	Employment Goals
February 1, 2016	1+X*
February 1, 2017	1+X*

X\* = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X\*=1, and Employment Goals shall equal  $[1 + 1* = 2]$  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.

\*May include two part-time seasonal employees

**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 for the New York State Department of Environmental Conservation. The project meets the criteria for a Type II action under Part 617.5(c)(3), which states: "agricultural farm management practices, including construction, maintenance and repair of farm buildings and structures, and land use changes consistent with generally accepted principles of farming" are not subject to review under Part 617. Therefore, no further environmental review is required in connection with the project.

**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% related to the total value of ESD's funding.

**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.



**B. Dutchess County Strategic Planning Study Working Capital (Z287)**

May 18, 2015

- Grantee:** Dutchess County (the "County")
- ESD Investment:** A grant of up to \$25,000 to be used for a portion of the cost of a strategic planning study analyzing the economy including open space, farm land and infrastructure.
- Project Location:** 22 Market Street, Poughkeepsie, Dutchess County
- Proposed Project:** Development and implementation of an Economic Development Strategy for Dutchess County
- Project Type:** Working Capital strategic planning study
- Regional Council:** The project is consistent with the Mid-Hudson Economic Regional Development Council's Plan to revitalize the region's infrastructure.

**Background:**

Industry - Municipality

Grantee History - Dutchess County's charter government was approved by the voters in 1967. The county seat is Poughkeepsie. As of the 2010 census, the population of Dutchess County was 297,488.

Ownership – Dutchess County is a public entity.

ESD Involvement - The County saw an opportunity to promote economic development and stimulate jobs and investment. In 2013, the County submitted a Round 3 Consolidated Funding Application for assistance through the Strategic Planning Matching Grant Program. In September 2014, the County was awarded a \$25,000 working capital grant. ESD's assistance will facilitate the creation of a strategic planning study analyzing the economy including open space, farm land and infrastructure.

**Dutchess County Strategic Planning Study Working Capital (Z287)**

May 18, 2015

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
Local Assistance	X901	\$307,679	August, 27, 2014	N/A	Working Capital

**The Project:**

Completion – October 2014

Activity – The Grantee conducted an economic report and retained Marist College’s Bureau of Economic Research to analyze the data. The report provided an economy assessment, which lead to the formulation or reformulation of County programs and services, implementation of programs and services, and a quarterly review.

Results – The Grantee, in partnership with Dutchess County Economic Development Corporation completed an inventory of open space, analyzed electric, gas and water/wastewater infrastructure, and created a database of existing businesses.

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries	\$112,900	ESD Grant	\$25,000	20%
Consulting Fees	10,000	Grantee Equity	100,000	80%
Economic Data Purchase	2,100			
Total Project Costs	\$125,000	Total Project Financing	\$125,000	100%

Grantee Contact - Ron Hicks  
 Deputy Commissioner, Strategic Planning Economic Development  
 22 Market Street, 6<sup>th</sup> Floor  
 Poughkeepsie, NY 12601  
 Phone: (845) 486-2565

Project Team -

Origination	Ryan McLeod
Project Management	Wilfredo Florentino
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

## **Dutchess County Strategic Planning Study Working Capital (Z287)**

May 18, 2015

### **Financial Terms and Conditions:**

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's 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. Initial venture capital investment into participating technology companies shall fulfill the equity requirement.
3. Up to \$25,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, upon attainment of a certificate of occupancy and/or other documentation verifying project completion as ESD may require, including a copy of the strategic plan, and documentation verifying project costs totaling approximately \$125,000. Expenses must be incurred on or after December 12, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$25,000, 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 – Urban and Community Development Program:**

This project is authorized under Sections 5(4) and 16-d of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria for a Working Capital grant as set forth in the Act and the rules and regulations for the Urban and Community Development Program. No residential relocation is required as there are no families or individuals residing on the site.



## C. Village of Brewster Strategic Planning Study Working Capital (Z068)

May 18, 2015

- Grantee:** Village of Brewster (“Brewster” or the “Village”)
- ESD Investment:** A grant of up to \$22,500 to be used for a portion of the cost of conducting a feasibility study.
- Project Location:** Village of Brewster, Putnam County
- Proposed Project:** Feasibility studies into the Opportunity Areas designated by the Mid-Hudson Regional Economic Development Council in the Village of Brewster and the City of Peekskill.
- Project Type:** Working capital strategic planning study
- Regional Council:** The project is consistent with the Mid-Hudson Regional Economic Development Council Plan to revitalize downtown city centers and expand employment opportunities for residents in the Mid-Hudson Region.

### Background:

#### Industry – Government

Organizational History – The Village of Brewster in Putnam County, New York is an historic community located along the East Branch of the Croton River near the center of the Town of Southeast. The Town of Southeast contains the Village of Brewster, though each of the municipalities have independent governments, separate highway departments and separate courts. Brewster derives its name from the landowner, Walter Brewster, who invited New York and Harlem Railroad to build a depot on his property. Brewster’s Station appeared on maps, postcards and in directories of Putnam County throughout the second half of the 19<sup>th</sup> century. The Village of Brewster officially incorporated in 1894.

Ownership – The Village is a public entity.

ESD Involvement – In 2013, the Peekskill Industrial Development Agency took possession of the White Plains Linen Complex. Re-purposing this building with businesses that are targeted to potential employees from the workforce training program is imperative to accomplishing the Mid-Hudson Regional Economic Development Council’s goals. With the Peekskill Opportunity Area’s poverty rate at 18.4% and unemployment rate at 9.3%, these residents are in need of expanded employment opportunities for which they are properly trained.

## Village of Brewster Strategic Planning Study Working Capital (Z068)

May 18, 2015

In September 2013, the Village applied through Round 3 of the Consolidated Funding Application for support to bridge the funding gap and was awarded funds from the Urban and Community Development Program in April 2014. The results of the strategic planning study provided recommendations for preparing the site for redevelopment. The building renovations will provide an anchor for the nearby commercial district and a link to downtown.

In Brewster, the Village has entered into a Memorandum of Understanding with a developer for the redevelopment of the Main Street Corridor predicated on completing updates to the Comprehensive Plan, Zoning Code, and eventual Urban Renewal Plan. The feasibility study will assist Brewster in leveraging private investments. The Feasibility Study compliments the Opportunity Area Empire State Development Technical Assistance and Training grant, by linking the reuse of buildings in the Opportunity Areas with workforce training strategies for residents who live in these Opportunity Areas.

Past ESD Support – In 2002, the Village of Brewster received a \$25,000 grant from the Economic Development Fund to support the rehabilitation of the Prospect Street removal, demolition, and replacement of sidewalks and curbs.

### The Project:

#### Completion – March 2015

Activity – In collaboration with the City of Peekskill, NY, the Village of Brewster conducted a strategic plan/feasibility study in relation to re-purposing obsolete buildings in Peekskill's Opportunity Area (Highland/N. Division/Constant Ave) and to define a path forward for redevelopment of Brewster's Main Street Corridor. Peekskill and Brewster hired a consultant to identify business types that are suitable for the vacant buildings (Market Study), to analyze the physical characteristics of the buildings (structural integrity, adaptability and adequacy of systems), and to review zoning and other issues.

Results - The outcome of the strategic plan and feasibility study is for targeted businesses to employ local residents with skills obtained through the Westchester Community College job training program. The walkable communities with efficient public transit ensure that there are no transportation barriers to employment. The studies will attract developers and investors to renovate the buildings for targeted employment. The potential changes to the communities are expected to create a strong economic backbone, generate jobs, and improve the vitality of the region.

**Village of Brewster Strategic Planning Study Working Capital (Z068)**

May 18, 2015

Grantee Contact - Peter Brewster Hansen, Village Clerk  
 50 Main Street  
 Brewster, NY 10509  
 Phone: 845-279-3760 x13

Project Team -                      Origination                      Ryan McLeod  
    Project Management              Charise Liggins  
    Contractor & Supplier Diversity      Denise Ross  
    Environmental                      Soo Kang

Financing Uses	Amount	Financing Sources	Amount	Percent
Surveys, traffic counts, complete sheets	\$14,500	ESD Grant	\$22,500	36%
Comprehensive Plan	\$22,000	Grantee Equity	39,500	64%
Blight Study	\$12,000			
Final graphics - 50%	\$ 5,000			
Meetings	\$ 8,500			
<b>Total Project Costs</b>	<b>\$62,000</b>	<b>Total Project Financing</b>	<b>\$62,000</b>	<b>100%</b>

**Financial Terms and Conditions:**

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$22,500 will be disbursed to Grantee 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 May 7, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$22,500, 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

**Village of Brewster Strategic Planning Study Working Capital (Z068)**

May 18, 2015

no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

**Non-Discrimination and Contractor & Supplier Diversity:**

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (MWBs) in the performance of ESD projects. For purposes of this project, however, Minority and Women-owned Business Enterprise ("MWBE") participation goals will not be established due to the unavailability of certified MWBs for performance of this Project. Recipient shall acknowledge and adhere to ESD's Non-discrimination and Equal Employment Opportunity ("EEO") policies.

**Statutory Basis – Urban and Community Development Program:**

This project is authorized under Sections 5(4) and 16-d of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria for a working capital grant as set forth in the Act and the rules and regulations for the Urban and Community Development Program. No residential relocation is required as there are no families or individuals residing on the site.

FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Make Grants and to Take Related Actions

Attached is the summary of the projects sponsored by the New York State Executive and Legislative branches:

	Project Name	Proj #	Grantee	Assistance up to
	<b>Local Assistance (Senate)</b>			
A	CenterState Corporation for Economic Opportunity Working Capital	Z550	CenterState Corporation for Economic Opportunity	200,000
	<b>TOTAL NON-DISCRETIONARY – 1 PROJECT</b>		<b>TOTAL</b>	<b>\$200,000</b>

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 25% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 15% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

### IV. ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

### V. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

### VI. Additional Requirements

Pursuant to direction received from the New York State Office of the Attorney General ("OAG"), individual project summaries may be subject to comment and approval by the OAG.

Due diligence has been exercised by ESD staff in reviewing information and documentation received from grantees/borrowers and other sources, in preparation for bringing projects to the ESD Directors for approval. The due diligence process also involves coordination with a number of external constituents, including the OAG, and grantees/borrowers have provided ESD with the required Disclosure and Accountability Certifications.

Also, pursuant to s.2879-a of the Public Authorities Law, the Office of the State Comptroller ("OSC") has notified the Corporation that it will review all grant disbursement agreements ("GDAs") of more than one million dollars (\$1 million) that are supported with funds from the Community Projects Fund ("007"). Such GDAs, therefore, will not become valid and enforceable unless approved by the OSC. A clause providing for OSC review will be included in all GDAs that are subject to such approval.

VII. Additional Submissions to Directors

New York State Map

Resolutions

Project Summary

May 18, 2015

Local Assistance – Findings and Determinations Pursuant to Section 10 (g) of the Act;  
Authorization to Make a Grant and to Take Related Actions;

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make grant to the party and for the amount listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

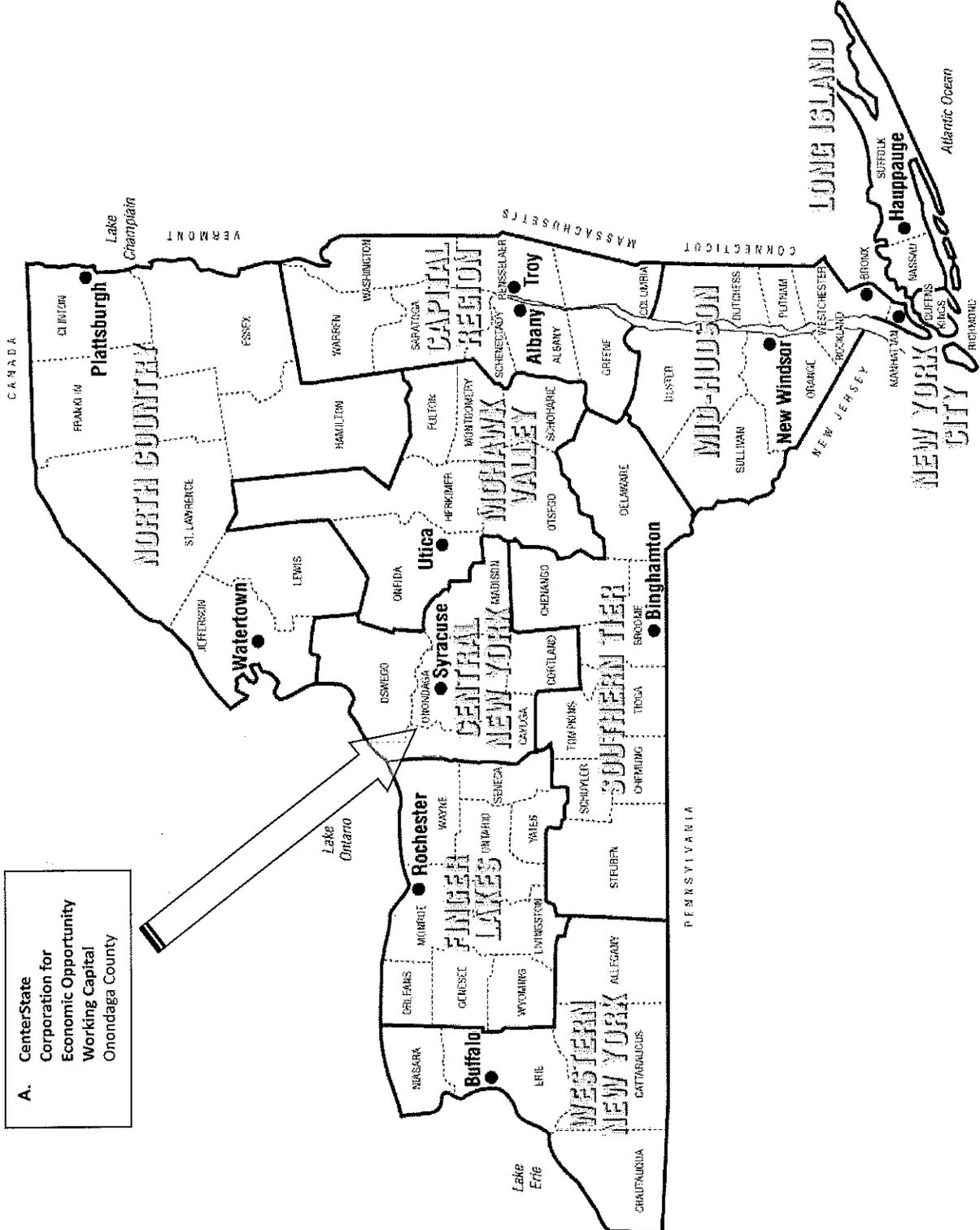
Local Assistance – Senate – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Local Assistance</b>			
A	CenterState Corporation for Economic Opportunity Working Capital	Z550	CenterState Corporation for Economic Opportunity	200,000
			<b>TOTAL</b>	<b>\$200,000</b>

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.

\* \* \*

# Non-Discretionary Project Map



## A. CenterState Corporation for Economic Opportunity Working Capital (Z550)

May 18, 2015

**Grantee:** CenterState Corporation for Economic Opportunity ("CenterState CEO" or the "Grantee").

**ESD Investment:** A grants of up to \$200,000 to be used for program costs.

**Project Location:** Onondaga County

**Proposed Project:** Community and tourism events associated with the Central New York Community Events Program

**Project Type:** Working Capital

**Regional Council:** The Central Regional Council has been made aware of this item.

### Background:

#### Industry - Economic Development

Company History - The Metropolitan Development Association of Syracuse and Central New York, Inc. ("MDA"), established in 1959, is a private, not-for-profit corporation representing the business leadership of the Central Upstate New York region (the "Region"). It carries out a number of functions and activities as determined by its board of directors, including economic development, downtown and neighborhood redevelopment, regional strategic planning, and real estate management. Working with two national consulting firms, Battelle Memorial Institute in Cleveland, Ohio and Catalytix, Inc. in Pittsburgh, Pennsylvania, in 2003, the MDA developed the Initiative, a comprehensive strategy for the twelve-county Region that provided the framework for all of CenterState CEO's work.

In 2010, members of the MDA and the Greater Syracuse Chamber of Commerce voted to introduce a formal partnership between the two organizations, and formed the CenterState Corporation for Economic Opportunity to serve as the primary economic, community and business development catalyst in the Region. With more than 2,000 members, CenterState CEO works with its member companies, non-member firms in the Region, universities and colleges, and public sector planning and development entities.

Ownership – CenterState CEO is a not-for-profit corporation.

Size - All facilities located in Syracuse, NY.

ESD Involvement - \$200,000 in appropriations were included in the FY 2014-2015 New York State budget.

**CenterState Corporation for Economic Opportunity Working Capital (Z550)**  
**May 18, 2015**

Past ESD Support - Since 1991, the ESD Directors have approved approximately \$3.7 million in grants to the Grantee.

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
Local Assistance	W679	\$600,000	March 25, 2010	December 31, 2014	Working Capital – Business Assistance Program
Community Projects Fund	W680	\$71,000	September 14, 2010	October 10, 2014	Working Capital – Economic Development Promotion
Community Projects Fund	W678	\$250,000	June 28, 2011	December 31, 2015	Working Capital – Development of environmental technology
Local Assistance	W392	\$71,000	October 20, 2011	September 30, 2015	Working Capital – Economic Development Plan
Economic Development Purposes Fund	Y450	\$100,000	June 27, 2013	December 31, 2015	Working Capital - Tourism
CNY Branding Working Capital	Z171	\$370,000	August 27, 2014	December 31, 2015	Working Capital – Destination Branding Campaign
Local Assistance	Z327/Z333	\$800,000	January 15, 2015	December 31, 2017	Working Capital – Economic Development

**The Project:**

Completion – December 2015

Activity - Funding will be used for economic development programs including the Central New York Community Events Program. Programs and events will highlight the diverse ethnicity, musical, artistic traditions and unique attributes of the Central New York region.

Results - The Central New York Community Events Program was created in 2001 and has held 297 events attracting hundreds of thousands of residents and visitors. Funds will leverage \$700,000 in private dollars attracting and retaining people, particularly

**CenterState Corporation for Economic Opportunity Working Capital (Z550)**

May 18, 2015

young professionals that seek interesting and diverse communities in which to live and work.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Grantee Contact - Robert Simpson, President & CEO  
 115 West Fayette Street  
 Syracuse, NY 13202  
 Phone: (315) 422-8284

Project Team - Project Management Wilfredo Florentino  
 Contractor & Supplier Diversity Vikas Gera  
 Environmental Soo Kang

Financing Uses	Amount	Financing Sources	Amount	Percent
Armory Square Association - Candlelight Series	\$10,000	ESD Grant	\$200,000	100%
Greater Baldwinsville Community Benefit Fund - Oktoberfest	\$3,000			
CNY Jazz Arts Foundation, Inc. - Northeast Jazz & Wine Festival	\$10,000			
Downtown Syracuse Foundation, Inc. - Various Downtown Programming	\$15,000			
Downtown Committee of Syracuse, Inc. - Syracuse Arts & Crafts Festival	\$15,000			
Festa Italiana	\$10,000			
German American Society of CNY - Great Syracuse Oktoberfest	\$3,000			
Irish Fest	\$10,000			
NYS Rhythm & Blues Festival - Blues Fest	\$10,000			
Otisco Lake Community Association - Homemade Jam	\$500			
Polish Scholarship Fund - Polish Fest	\$3,000			
Syracuse Area Music Awards - SAMMYS	\$5,000			
Syracuse Jewish Federation - Jewish Music & Cultural Festival	\$3,000			
Syracuse St. Patrick's Parade Committee - St. Patrick's Parade	\$10,000			
Syracuse Children's Theatre - Oz Musical	\$10,000			
Syracuse City Ballet - Nutcracker	\$10,000			
Community Events	\$72,500			
<b>Total Project Costs</b>	<b>\$200,000</b>	<b>Total Project Financing</b>	<b>\$200,000</b>	<b>100%</b>

**CenterState Corporation for Economic Opportunity Working Capital (Z550)**

May 18, 2015

**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 \$200,000 will be disbursed to Grantee no more frequently than monthly, as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2014, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

**Non-Discrimination and Contractor & Supplier Diversity:**

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 MWBE participation goals are inappropriate and infeasible and need not be applied to this project.

**Statutory Basis – Local Assistance:**

The project is 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.

**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.

FOR CONSIDERATION

May 18, 2015

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 Unite Us

---

Project Summary

Awardees: Unite Us (the "Company")

Amount: Up to \$1,325,000 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	Vikas Gera
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 an 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 UniteUs.

To date, Unite Us has not received any funding from New York State

Project Status

Founded in 2013 and headquartered in New York City, Unite Us is developing a software platform that empowers communities to better serve the needs of veterans and military families. The company’s holistic platform provides a comprehensive solution to the issue of caring for our veterans by empowering both the supply and demand side of the equation. On the demand side, the platform provides discovery and access tools for veterans to locate the services they need. In terms of supply, Unite Us provides care organizations with tools to manage their internal operations and tracking care with other organizations.

**The Problem:** The military services market is vastly inefficient. It is comprised of fragmented network of 400,000+ resources that are largely disconnected from each other resulting in an ineffective “Sea of Goodwill”.

**Solution:** Unite Us leverages technology to improve operational efficiencies within service providers and improve coordination between organizations to deliver better outcomes at a lower cost. Three elements make up the Unite Us solution for military services:

- Resource network – connecting veterans to impactful local resources and opportunities
- Community Management – enterprise-level software for public and private entities to manage operations, communications, outreach and data/analytics for their target population
- Care Coordination – tools to enable secure and confidential referrals and collaboration across public & private service providers eliminating gaps and inefficiencies in service delivery

**Business Model:** Unite Us sells two (2) types of enterprise software to three (3) sets of clients. The software is sold on a per seat subscription basis with additional fees for on-boarding and upgraded feature sets. Monthly fees range from \$30 - \$50/per seat depending upon the product.

Products:

- Community management
- Care coordination

Target Clients:

- Individual service providers
- Networks of service providers
- Governmental organizations

The company has proven its solution in the market with successful pilot deployments and is poised to expand from a local/regional footprint to national presence. A summary of recent accomplishments includes:

- Partnerships with the Veterans Administration (VA) Headquarters, Syracuse University Institute for Veterans & Military Families (IVMF) and Accenture
- Building out 3 coordinated care networks in NYC (live), North Carolina, and Pennsylvania
- Pilot deployment at 13 VA facilities
- 4,400+ local and national resources; 30,000+ active members

In order to fund its activities over the next 18 months, the Company is raising \$4M in Preferred Equity. The financing will be used to further expand the network of users, equip more organizations with community management tools and build out additional local/regional care networks. The NYSIVCF will invest up to \$1.325M into the 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, growth prospects as well as the terms of the investment. As a result of that analysis, NYSIVCF and the IRC both agree that the 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 Unites Us

Schedule B – Summary of the Investment Terms

May 18, 2015

New York State Innovation Venture Capital Fund - Authorization of an investment of NYSIVCF funds in Unite Us.

---

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 \$1,325,000, in Unite Us (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.

\* \* \*

FOR CONSIDERATION

May 18, 2015

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 Cureatr

---

Project Summary

Awardees: Cureatr (the "Company")

Amount: Up to \$1,735,000 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	Vikas Gera
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 an 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 Cureatr

To date, the only government monies that Cureatr has received was through its participation in the New York Digital Health Accelerator, a startup incubator that receives funding from ESD.

### Project Status

Cureatr Inc. is building a mobile data platform for the healthcare market that enables enterprise-wide care coordination through: Care Transition Notifications (CTNs), Enhanced Clinical Workflows, and Secure Messaging across a HIPAA-compliant technology platform. The company has demonstrated early market traction through its partnerships with a number of leading NY State healthcare organizations such as Montefiore, Albany Medical and Mount Sinai hospitals.

Cureatr is riding the wave of disruption that is currently occurring in the US healthcare system. This disruption is driven by a number of factors including healthcare reform, the introduction of mobile IT, and changes to the HC reimbursement model. Cureatr's platform addresses a key pain point in this new healthcare paradigm by enabling real-time tracking of a patient's care transitions.

- Healthcare Reform is driving a new reimbursement model and the development of Accountable Care Organizations (ACO's). Under the new reimbursement model, health care providers are financially incentivized to reduce the number of hospitalizations and keep patients healthier. In order to achieve this goal, they need accurate, high-quality patient information and real-time access to data of hospital visits.
- Specific programs exist to drive the utilization of technology to improve communication and access to data. DSRIP (Delivery System Reform Incentive Program) within the NY State healthcare system is just one example of this type of program.
  - DSRIP is a Medicaid reform waiver that is being rolled out in 13 states, including NYS. The focus of the DSRIP is to reduce hospital admissions and stays by the Medicaid population.
  - In NY State alone, the Medicaid population utilizes \$50B in resources annually. NY State is offering \$7B in incentives to all of the major healthcare systems and physician groups to invest in solutions to better coordinate care for Medicaid patients.
  - The NY State DSRIP program is being used as a nationwide pilot. Other states and the Federal government are watching it closely as a potentially replicable template for improving clinical and financial outcomes for high risk

Cureatr's primary impact within the new healthcare landscape is solving the "Lost Patient" problem for its customers. At any given time, patients are admitted to the hospital or seeking treatment in other clinical settings such as the ER, while the provider or payer has no idea these patients are in need of care. Cureatr's technology provides notifications in real-time to allow providers and payers to identify and intervene in advance of the event. This early alert results in better care for the patient at a lower cost to the system and potentially higher revenue to the providers as patients can be managed to eliminate network leakage.

In order to fund its activities over the next 18 months, the Company is raising \$13.1M in Preferred Equity. The NYSIVCF will invest up to \$1.735M 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, 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 (MWBs) 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 Cureatr

Schedule B – Summary of the Investment Terms

May 18, 2015

New York State Innovation Venture Capital Fund - Authorization of an investment of NYSIVCF funds in Cureatr.

---

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 \$1,735,000, in Cureatr (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.

\* \* \*



FOR CONSIDERATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Small Business Revolving Loan Fund Program – Request to Reallocate Funds

REQUEST FOR: Authorization to Reallocate Funds; Authorization to Amend the Grant Agreements; Authorization to Take Related Actions

---

Background:

In November 2010, ESD’s Board of Directors approved \$25 million for the Small Business Revolving Loan Fund (the “Program”). The Program is designed to create economic activity by providing greater access to capital for small businesses and minority and women-owned businesses (“MWBES”) that generate economic growth and job creation within the State, but that are unable to obtain adequate credit or adequate terms for such credit (collectively “Eligible Businesses”).

Pursuant to a competitive Request for Proposal process in August of 2010, twenty Community-Based Lending Organizations (“CBLOs”) were selected by staff to receive Program loans. The selected CBLOs were to make loans to Eligible Businesses under two tracks: Track A representing micro loans of \$25,000 or less; and, Track B representing loans over \$25,000. These lending levels refer to total principal of loans, including up to 50% of Program funds and not less than 50% non-Program funds resulting in a 1:1 match Program requirement, and at least \$50 million in loans. The term of the ESD Program loan to a CBLO is for seven years, unless an extension is granted. All Program loan funds were to be deployed by the CBLO within 24 months of ESD’s initial disbursement (“Commencement Date”) of Program Loan funds (in three tranches) to the CBLO. ESD did reserve the right to make reallocations of funds after the initial awards if any of the selected CBLOs did not meet the Program performance requirement as set forth in the Program loan agreement. ESD also reserved the right to make reallocations between Track A and Track B depending on lender performance and small business demand.

Project Status:

As of June 30, 2014, over \$81 million (~ \$27.5 million of ESD funds) in total loans have been deployed to 3,638 Eligible Businesses (3,321 M/WBEs) by the Program's CBLOs.

Requested Action:

ESD approved a \$1,445,000 commitment to NYBDC Local Development Corporation ("LDC") in 2010. However due to limited lending activity all but \$50,000 was reallocated from the CBLO (\$963,000 in July 2012 and another \$432,000 in November 2012). At these same dates, New York Business Development Corporation ("NYBDC") received additional allocations of \$996,684 and \$432,000, respectively.

To date, NYBDC has deployed well over 100% of its original loan amount of \$8,928,684 (\$1.5 million in Track A, and \$7,428,684 in Track B) to Eligible Businesses. This lending activity includes 59 low interest and immediate emergency loans to New York State small businesses affected by Hurricane Sandy.

As per information provided by LDC, they commenced doing business as The Excelsior Growth Fund, received certification as a Certified Development Financial Institution ("CDFI") and have embarked on providing an on-line lending program to small businesses located in New York State. The on-line lending program launch is projected for May 15, 2015, with initial demand anticipated to be \$500,000 per month. The gap the new fund will seek to fill is a more expedited means of access to financing than traditional loan programs, but at an interest rate a fraction of those being charged by "on-line" lenders that provide loans in as little as 24 hours. The loans will not be guaranteed by the SBA, but will be enrolled in the NYS Capital Access Program, which provides for an 8% loan loss reserve in a funded and segregated bank account. Loan capital will be supported initially from LDC's equity and current credit facilities.

As per LDC's request, ESD proposes to reallocate \$1,395,000 back to LDC from NYBDC. Both entities are under the same management, but LDC will be administering the loan program.

**TOTAL FUNDS TO BE REALLOCATED FROM THE FOLLOWING CBLO: \$1,395,000**

Grantee: **New York Business Development Corporation (X264)**  
Targeted Geographic Focus: **Statewide**  
Proposed Reallocation Amount: **\$1,395,000**

**TOTAL FUNDS TO BE REALLOCATED TO THE FOLLOWING CBLO: \$1,395,000**

Grantee: **NYBDC Local Development Corporation (X295)**  
Project Focus: **Statewide**  
Proposed Reallocation Amount: **\$1,395,000**

### Statutory Basis

The Program is authorized pursuant to Section 16-t of the Act. No residential relocation is required because there are no families or individuals will be displaced by the Project, thereby satisfying the requirements of Section 10(g) of the Act.

### Environmental Review

ESD staff has determined that the proposed authorization to reallocate funds 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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply. The CBLOs are encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

### Additional Submissions to Directors

Resolutions

May 18, 2015

Statewide – Small Business Revolving Loan Fund Program – Authorization to Reallocate Funds for Loans; and Authorization 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 (the “Materials”), relating to the Small Business Revolving Loan Fund Program (the “Program”), the Corporation is authorized to reallocate and redeploy Program funding and to enter into loan agreements and related documentation with each borrower and in such amounts as set forth in the Materials, in order to redeploy such reallocated Program funding in an aggregate not to exceed \$25 million that is entirely funded by State appropriations eligible to fund the Program; 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 take such actions and make such modifications to the terms of each loan as he or she may deem necessary or appropriate in the administration of the loan; and be it further

RESOLVED, that the provision by the Corporation of this 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; 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.

\* \* \*



**FOR CONSIDERATION**

**May 18, 2015**

**TO:** The Directors

**FROM:** Howard Zemsky

**SUBJECT:** "New York is Open for Business": Amendment to Contract with Full Service Advertising, Marketing, Branding, Media, and Communications Agency for Continuation of Business Marketing Campaign.

**REQUEST FOR:** Authorization to Amend Contract with BBDO USA LLC; Authorization to Take Related Actions

---

**I. Contract Amendment Summary**

**Contractor:** BBDO USA LLC ("BBDO").

**Scope of Services:** To serve as non-exclusive, full-service advertising, marketing, branding, media, and communications agency to promote the "New York State Open for Business" program.

**Contract Term:** Contract Expires November 30, 2015

**Contract Amount:** The amendment will increase the maximum contract amount from \$236,500,000 to \$261,500,000. All other contract terms remain unchanged.

**Funding Source:** Power Authority of the State of New York: \$25,000,000

**II. Background**

Pursuant to authorization by the Directors on November 4, 2011, the Corporation entered into a contract with BBDO, pursuant to which BBDO is serving ESD as a non-exclusive, full-service, advertising, marketing, branding, media, and communications agency in connection with the "Open for Business" ("OFB") program of marketing and promotion designed to market New York State as an ideal place for business to invest and create jobs. The initial term of the existing ESD-BBDO contract ran through November 30, 2013, with an option to extend for up to two additional years (which option has been duly exercised) and the initial amount of the contract was not to exceed \$50,000,000. Funding for the initial \$50,000,000 contract was

secured from ESD appropriations of \$13.08MM, DED appropriations of \$15.62MM and the cost recoveries and other funding made available by DOB of \$21.3MM.

At the end of the first year of the contract, the Board in December 2012 approved adding \$50,000,000 to the contract, derived from a Legislative direction of funds from the Power Authority of New York ("NYPA").

Pursuant to Board authorization, a Second Amendment to the BBDO contract was entered into by ESD and BBDO, dated as of July 9, 2013, adding to the Scope of Services for OFB set forth in the Original Agreement, as amended: (i) marketing and advertising campaign administered by ESD to promote tourism in the Hurricane Sandy Target area (as defined in the Second Amendment); and (ii) a campaign to launch and promote the State of New York Storm Recovery Program throughout various counties that have been declared disaster areas pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.); and (iii) amending the BBDO contract to increase its amount to \$136,500,000. Funding for the additional \$36,500,000 was secured with HUD funds secured via a Community Development Block Grant Disaster Recovery Subrecipient Agreement with Housing Trust Fund Corporation.

Pursuant to Board authorization, a Third Amendment to the BBDO contract that added an additional \$50,000,000 to the contract amount was entered into by ESD and BBDO, dated as of March 28, 2014. Funding was secured through NYPA.

Pursuant to Board authorization, a Fourth Amendment to the BBDO contract that added an additional \$25,000,000 to the contract amount was entered into by ESD and BBDO, dated September 19, 2014. Funding was secured through NYPA.

Pursuant to Board authorization, a Fifth Amendment to the BBDO contract that added an additional \$25,000,000 to the contract amount was entered into by ESD and BBDO, dated March 19, 2015. Funding was secured through NYPA, pursuant to Legislative mandate. This Amendment is currently awaiting approval by the Office of the State Comptroller. If so approved, the total contract amount of the BBDO contract will be \$236,500,000.

### **III. The NYPA Agreement**

In the State Fiscal year commencing April 1, 2015, the State Legislature enacted S. 4610, Part K, Section 19, authorizing the Director of the Budget to direct NYPA to make available up to \$90 million, that would otherwise be payable to the State, for economic development purposes. The legislation specifies that such economic development purposes may include "efforts to attract and expand business investment and job creation in New York State through the Open for Business program".

#### **IV. The ESD-BBDO Contract Amendment**

The upset amount of the existing ESD-BBDO contract would increase, from the current \$236,500,000 to \$261,500,000. Other than this modification, the existing contract, the terms of which were authorized by the Directors on November 4, 2011, remain unchanged. BBDO's scope of work and fee/commission/compensation arrangement remains the same.

BBDO has performed satisfactorily in the past year and the "Open for Business" campaign has been highly visible.

#### **V. Contractor Selection Process**

These services were initially competitively bid via an ESD Request for Proposal to which twelve agencies responded. Responses were reviewed, six agencies were interviewed, and the six finalists provided additional requested documentation and interviews. ESD's selection committee recommended BBDO based on its best value combination of technical score and price.

ESD staff recommends that ESD enter into an amendment of the existing contract with BBDO because: (i) ESD is satisfied with BBDO's performance under the existing contract; (ii) BBDO retains specific knowledge relevant to creation, production, financing, and dissemination of the Open for Business campaign components; (iii) BBDO generally is part of an industry-leading, world-wide, advertising firm with expertise in marketing and promotion campaigns; and (iv) BBDO agrees to continue the same fee/commission/compensation arrangement as set forth in the existing contract. BBDO also has a specific expertise in developing business-to-business campaigns, a particularly critical component of the New York State Open for Business campaign.

Further, the process of soliciting for a potential new marketing firm and then familiarizing any such firm with the details and goals of the intended New York State campaigns, and then waiting while any such firm designed, produced, and placed further advertising and marketing materials, would produce a delay of at least many months and would distract from the focus and momentum of the existing campaigns at a time when the marketplace may be improving and the existing campaigns are otherwise ready to continue forward.

This proposed Amendment is subject to review and approval by the Office of the New York State Comptroller pursuant to Public Authorities Law s. 2879-a and its implementing regulations.

#### **VI. Determination of Responsibility**

ESD staff has: (a) considered BBDO's ability to continue the requested services; (b) consulted the list of offerers determined to be non-responsive bidders and debarred offerers by the New York State Office of General Services; and (c) conducted the appropriate responsibility analysis based on BBDO's responses to the Office of State Controller mandated Responsibility

Questionnaire, and verified those responses from available resources. Based on the foregoing, staff considers BBDO to be a responsible contractor based on its financial and organizational capacity, its legal authority to do business, the integrity of the firm and its principals, and its past performance on contracts, including the existing ESD-BBDO contract.

**VII. Non-Discrimination and Contractor & Supplier Diversity**

ESD's M/WBE Program will apply to the amended contract. BBDO has been and will be encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 15% and a Women Business Enterprise participation goal of 15% of the total dollar value of the amended contract.

**VIII. Environmental Review**

The requested action to amend a contract for full-service marketing 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 this action.

**IX. Requested Action**

The Directors are asked to authorize ESD to amend the existing contract with BBDO to increase the maximum amount of the contract from \$236,500,000 to \$261,500,000; and take related actions.

**X. Recommendation**

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

**XI. Attachments  
Resolution**

May 18, 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorized to Enter into  
Amendment of Contract with BBDO USA LLC; Authorization to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds BBDO USA LLC ("BBDO") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into an Amendment of the existing ESD-BBDO contract, pursuant to which the maximum contract amount would be increased from the current \$236,500,000 to \$261,500,000, and all other contract terms would remain unmodified and in full force and effect, substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the ESD-BBDO contract amendment is expressly contingent upon receipts of all other necessary approvals, including without limitation approval by the Office of the State Comptroller; 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 take such actions and execute such documents as may be necessary or appropriate to carry out the foregoing resolutions.

\*\*\*



FOR INFORMATION

May 18, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Syracuse (Central New York Region – Onondaga County) – Hotel Syracuse Capital – Community Enhancement Facilities Assistance Program, New York State Economic Development Assistance Program, Empire Opportunity Fund – (Capital Grants)

---

I. Background

At a meeting held January 15, 2015, the ESD Directors adopted a General Project Plan (“GPP”) and authorized three non-discretionary grants totaling \$15 million (the “Grants”), to Onondaga County (the “County” or “Grantee”) on behalf of the Onondaga Convention Hotel Development Corporation (“OCCHDC” or “Beneficiary”) for a portion of the project cost of acquisition and renovation of the historic Hotel Syracuse (the “Hotel”) in downtown Syracuse, which has been vacant for over a decade. Total project costs are estimated to be approximately \$62 million.

As indicated in the January 2015 authorization, the County’s role as grantee would be limited to acting, on a non-recourse basis, as a conduit for the grant funds. The County would reimburse itself for the \$1.1 million it had contributed to acquisition costs, and would provide the balance of the grant to OCCHDC which would, in turn, make the funds available to the private project developer, Syracuse Community Hotel Restoration Co. 1, LLC, for renovation costs. A public hearing on the GPP was held March 16, 2015 at which no negative comment was received. The grant was approved by the Public Authorities Control Board on April 8, 2015.

To date, approximately half of the abatement and demolition to be performed on the building is complete. Work on the roof will commence in May, and the developer has selected an electrician, plumber and mechanical contractor. The Hotel is expected to open in March 2016. Initial disbursement of the Grant is anticipated to occur in the second quarter of 2015, assuming all necessary approvals are in place.

II. Update

To facilitate management of project funding and administrative responsibilities of the relevant participants on the project, the County has requested that the ESD grant be made directly to OCCHDC, currently the grant beneficiary. OCCHDC would then reimburse the County for its \$1.1 million contribution to acquisition costs and would make the balance of the grant funds

available to the private developer, the Syracuse Community Hotel Restoration Company I, LLC, acting as the new ESD grant beneficiary. . This is in line with the function of OCCHDC as it was established by the County to accept, administer and dispense funding for the purpose of developing and reconstructing Hotel Syracuse.

No other change to the ESD grant terms are proposed. Because the project scope and budget are as presented in the January 2015 authorization materials, and the parties themselves, their functions with respect to the project and their relationships with each other remain as described, staff will accommodate the request for change of grantee and beneficiary as an administrative matter. This is brought to your attention for information only; no further authorization is required.

III. Additional Submissions to Directors

Board Materials approved January 15, 2015

## B. Hotel Syracuse Capital (X232, X233, X236)

January 15, 2015

### General Project Plan

- Grantee:** County of Onondaga (the "County")
- Beneficiary:** Onondaga Convention Center Hotel Development Corporation ("OCCHDC")
- ESD Investment:** Grants of up to \$15,000,000\* to be used for a portion of the cost of acquisition and interior renovations of the Hotel Syracuse (the "Hotel")
- \* X232 – Community Enhancement Facilities Assistance Program - \$5,000,000  
X233 – New York State Economic Development Assistance Program - \$5,000,000  
X236 – Empire Opportunity Fund - \$5,000,000
- Project Location:** 500 South Warren Street, Syracuse, Onondaga County
- Proposed Project:** The County of Onondaga, through OCCHDC, will oversee renovations to the interior of the Hotel Syracuse including restoration of lobbies, rooms and entranceways.
- Project Type:** Infrastructure improvement involving construction and renovation
- Regional Council:** The Central New York Regional Economic Development Council has been made aware of this item.
- Background:**

**Grantee:**

Grantee History – The County of Onondaga was organized in 1794 from Herkimer and Tioga Counties, later apportionments of land creating Cayuga, Cortland and Oswego Counties. Today the County is comprised of separate municipalities including the City of Syracuse, 19 towns and 15 villages. The development of the County was spurred by the salt industry and the Erie Canal, which contributed to Syracuse's emergence as a significant center of commerce. In 1962, a charter divided the County into 24 legislative districts with an elected legislator representing each district in the County legislature. Under the Charter, a county executive was appointed to serve as Chief Executive Officer and Chief Budget Officer.

Ownership – Municipality

## Hotel Syracuse Capital (X232, X233, X236)

January 15, 2015

### Beneficiary:

Beneficiary History – The OCCHDC was established in October 2010 by the County of Onondaga to accept, administer and dispense funding for the purpose of developing and constructing a Hotel for the Convention Center in the County of Onondaga.

Ownership – The Onondaga Convention Center Hotel Development Corporation is a local development corporation organized pursuant to Section 1411 of the not-for-profit Corporation Law of the State of New York.

ESD Involvement – The project was reappropriated in the 2014-2015 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
Special Appropriations Fund	X441	\$ 2,500,000	December 18, 2012	July 2014	Redesign of the Onondaga County Public Library

### The Project:

Completion – December 2016

Activity – Established in 1924, the historic Hotel Syracuse, located in downtown Syracuse, near the Onondaga County convention center, went out of business in 2004 and is currently vacant. The deteriorated building was originally purchased by a developer, but as a result of financial setbacks, rehabilitation of the Hotel was never initiated. In 2014, the Syracuse Industrial Development Agency (the "IDA") acquired the Hotel through eminent domain.

Following its acquisition of the Hotel, the IDA was approached by a new developer, Syracuse Community Hotel Restoration Co. 1 LLC ("Syracuse Community") who proposed a new construction plan for the Hotel. The IDA approved of this plan and conveyed title of the Hotel to Syracuse Community in July 2014. The County will act as a conduit on a non-recourse basis and will use grant funds to one, reimburse itself for

## **Hotel Syracuse Capital (X232, X233, X236)**

January 15, 2015

\$1,100,000 previously expended by the County to assist the IDA in acquiring the Hotel, and two, provide the remaining \$13,900,000 to OCCHDC to facilitate the proposed development.

Specific areas that will be renovated include meeting spaces, guest rooms and other public spaces such as lobby and entryways. Site acquisition has been completed, and construction and renovation will commence in July 2015. It is estimated that the Hotel will open in December 2016.

The Central Regional Economic Development Council has recommended additional funding from the CFA to complete this Hotel development and considers it a priority project.

Results - Renovation of the historic Hotel Syracuse will serve to stabilize an area of the downtown corridor which has experienced persistently poor growth and investment. Restoration will contribute to improved property values and lead to the attraction of new businesses and residents.

There is a plan to add retail establishments on the first floor of the Hotel, along with a spa and separate bar facility within the Hotel. The Hotel expects to host wedding events and provide catering services for various social and community events. It is anticipated that the Hotel will generate employment in all of these areas, and grow additional retail and service oriented businesses in the vicinity. The Hotel is also anticipated to promote residential development in the area.

## Hotel Syracuse Capital (X232, X233, X236)

January 15, 2015

Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition Costs	\$1,880,000	ESD Grants (X232, X233, X236)*	\$ 15,000,000	25%
Hard Costs	39,341,193	Syracuse Industrial Development Agency (DesiNY Funds)	\$ 1,250,000	2%
Asbestos Removal	4,200,000	Restore NY	\$ 1,100,000	2%
Soft Costs	16,468,807	National Grid	\$ 800,000	1%
		NYS Cap	\$ 1,700,000	2%
		Mortgage Loan	\$ 22,596,000	36%
		REDC Funding	\$ 3,645,000	7%
		Historical Tax Credits	\$ 9,066,000	14%
		County of Onondaga Equity	\$ 6,733,000	11%
<b>Total Project Costs</b>	<b>\$61,890,000</b>	<b>Total Project Financing</b>	<b>\$ 61,890,000</b>	<b>100%</b>

\*X232 - Community Enhancement Facilities Assistance Program: \$5,000,000, X233 - New York State Economic Development Assistance Program: \$5,000,000, X236 - Empire Opportunity Fund: \$5,000,000

**Grantee Contact** - Joanie Mahoney, County Executive  
 John H. Mulroy Civic Center, 14th floor  
 Syracuse, NY 13202  
 Phone: (315) 435-3516

**Beneficiary Contact** - William P. Fisher, Director  
 421 Montgomery Street, John H. Mulroy Civic Center c/o Law  
 Department, 14<sup>th</sup> Floor  
 Syracuse, NY 13202  
 Phone: (315) 435-2170

<b><u>Project Team</u></b> -	Project Management	Simone Bethune
	Legal	Maria Cassidy
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Design & Construction	Scott Renzi
	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.

## Hotel Syracuse Capital (X232, X233, X236)

January 15, 2015

3. Up to \$15,000,000 will be disbursed as reimbursement for eligible expenses during the course of construction no more frequently than quarterly, in compliance with 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 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. All project expenditures must have been incurred after April 1, 2006, 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 \$15,000,000, 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.
5. 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") as defined in the statute, 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 meeting the Statutory requirement has been entered into for this project.

### **Environmental Review:**

The Syracuse 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 would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the building's inclusion on the National Register of Historic Places, ESD has confirmed that the project sponsor initiated consultation with the New York State Office of Parks, Recreation and Historic Preservation pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed.

### **Non-Discrimination and Contractor & Supplier Diversity:**

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee, Beneficiary and related parties shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises

## Hotel Syracuse Capital (X232, X233, X236)

January 15, 2015

("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 28%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 14% and a Women Business Enterprise ("WBE") Participation Goal of 14% related to the total value of ESD's funding.

### **Statutory Basis – Community Enhancement Facilities Assistance Program:**

The project was authorized in the 1997-1998 New York State budget and Chapter 432, Laws of 1997, and Chapter 55, Laws of 2002, and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

### **Statutory Basis – New York State Economic Development Program and Empire Opportunity Fund:**

#### Section 10 Land Use Improvement Findings

1. That the area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality.

The project area has experienced population decline over the past decade resulting in building vacancies, general disrepair of storefronts, and decreased property values. It is increasingly apparent that the development of a vibrant downtown and urban core is necessary to capture and retain businesses and residents. The restoration of the Hotel will spur this objective.

2. That the project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

The funding for this project will be used to reconstruct and renovate a dilapidated and vacant property as a first-class, Convention Center Hotel with banquet and conference space.

3. That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

The project is a collaboration between the County of Onondaga and the OCCHDC, a local development corporation created by the County to develop and construct a Hotel and Convention Center in the County of Onondaga.

4. That the proposed facility or project is consistent with any existing local or regional comprehensive plan.

The project is consistent with the "City of Syracuse Comprehensive Plan 2025" (the "Plan") prepared by the Syracuse Common Council in 2005 and updated every five

**Hotel Syracuse Capital (X232, X233, X236)**

January 15, 2015

years.

5. The requirements of Section 10(g) of the Act are satisfied.  
No residential relocation required.

**Empire Opportunity Fund Determinations:**

The project is in compliance with Chapter 84 of the Laws of 2002 and the Corporation's guidelines established thereunder. Individual project funding does not exceed 25 percent of the total of that project's costs, or if project funding does exceed 25 percent of that project's total costs, the Director of the Division of the Budget has authorized the provision of such amount.

**Disclosure and Accountability Certifications:**

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