

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

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION  
d/b/a Empire State Development**

Empire State Development works to promote business investment and growth that leads to job creation and prosperous communities across New York State

Meeting of the Directors

Thursday

July 16, 2015 – 9:30 a.m.

**AGENDA**

**FOR CONSIDERATION**

**I. CORPORATE ACTIONS**

- A. Approval of Minutes of the June 25, 2015 Directors' Meeting
- B. Investment Report – Approval of Investment Guidelines and Investment Report and Authorization to Take Related Actions

**II. DISCRETIONARY PROJECTS**

**SOUTHERN TIER REGION**

- A. Kirkwood (Southern Tier Region – Broome County) – Modern Marketing Concepts, Inc. Capital – JOBS Now 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 Take Related Actions

**II. DISCRETIONARY PROJECTS - Continued**

**NEW YORK CITY REGION**

**WORLD TRADE CENTER JOB CREATION AND RETENTION PROGRAM**

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

**PORT AUTHORITY BI-STATE DREDGE FUND**

- C. Staten Island (New York City Region – Richmond County) – Global Container Terminal New York Dredging Capital – Port Authority Bi-State Dredge Fund (Capital Grant) – Affirmation of the Directors May 18, 2015 Findings and Determinations Pursuant to Section 10(g) of the Act; Affirmation of the General Project Plan

**STATEWIDE - RESTORE NEW YORK COMMUNITIES – CAPITAL GRANT**

- D. Statewide - Restore New York Communities – Capital Grant – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10(g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

- A. City of Niagara Falls-Niagara Falls RESTORE III-Niagara City Lofts (Niagara County) - \$5,000,000

**DISCRETIONARY PROJECTS CONSENT CALENDAR**

- E. 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 Take Related Actions

**Empire State Economic Development Fund**

- A. Karp Capital – Karp Associates, Inc. - (Suffolk County) - \$100,000
- B. Dunkirk Metal Projects Capital – Dunkirk Metal Products, Inc. - (Chautauqua County) - \$100,000

**Economic Development Purposes Fund**

- C. Long Island High Technology Incubator, Inc. – Stony Brook University Wyandanch Capital - (Suffolk County) - \$45,000

**II. DISCRETIONARY PROJECTS – Continued**

**CAPITAL REGION**

- F. Schenectady (Capital Region – Schenectady County) – Disney Newsies Working Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

**CENTRAL NEW YORK REGION**

- G. Syracuse (Central New York Region – Onondaga County) – Matt Industries 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

**III. REGIONAL COUNCIL AWARDS**

**NEW YORK CITY REGION**

- A. Regional Council Award – Priority Project - Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund – General Development Financing and Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Affirmation of the Proposed General Project Plan (“GPP”); Authorization to Make Grants; Adoption of Findings Pursuant to the State Environmental Quality Review Act (“SEQRA”); and Authorization to Take Related Actions

**WESTERN NEW YORK REGION**

- B. Regional Council Award – Priority Project – Lockport (Western New York Region – Niagara County) – Lockport Ice 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; Determination of No Significant Effect on the Environment

**NORTH COUNTRY REGION**

- C. Regional Council Award – Priority Project - Ticonderoga (North Country Region – Essex County) – International Paper Natural Gas Conversion 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**

#### **MOHAWK VALLEY REGION**

- D. Regional Council Award – Priority Project - Utica (Mohawk Valley Region – Oneida County) – Primo Property Management Phase I 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
- E. Regional Council Award – Priority Project - Utica (Mohawk Valley Region – Oneida County) – Primo Property Management Phase II 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
- F. Regional Council Award – Priority Project - Utica (Mohawk Valley Region – Oneida County) – Utica Coffee Roasting, Inc. 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

#### **LONG ISLAND REGION**

- G. Regional Council Award – Plainview (Long Island Region – Nassau County) – Advanced Manufacturing Composites Working Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions
- H. Regional Council Award – Priority Project - Hempstead (Long Island Region – Nassau County) – Hofstra North Shore LIJ School of Medicine 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**

- I. Regional Council Award – Priority Project - Syracuse (Central New York Region – Onondaga County) – 706 North Clinton Redevelopment 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**

**SOUTHERN TIER REGION**

- J. Regional Council Award – Priority Project - Elmira (Southern Tier Region – Chemung County) – Hilliard 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

**MARKET NEW YORK GRANT PROGRAM**

- K. Market NY Grant Program – Regional Tourism Marketing Competition – Market New York Program (Working Capital Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make Grants and to Take Related Actions
  - A. New York Wine & Culinary Center (Ontario County) - \$62,154
  - B. Munson-Williams-Proctor Arts Institute (Herkimer County) - \$20,000
  - C. Long Island Arts Alliance, Inc. (Nassau and Suffolk Counties) - \$150,000
  - D. Windham Area Recreation Foundation (Greene County) - \$247,875
  - E. Walkway Over the Hudson (Dutchess County) - \$189,000
  - F. The Wild Center (Franklin County) - \$372,000
  - G. Burchfield Penney Art center (Erie County) - \$36,000
  - H. Mountain Lake PBS (Clinton County) - \$138,015
  - I. Genesee County Chamber of Commerce (Genesee County) - \$40,000

**REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR**

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

**Regional Council Capital Fund**

- A. AIDA & GIANT Solutions Capital – Amsterdam Industrial Development Agency (Montgomery County) - \$30,000

**IV. NON-DISCRETIONARY PROJECTS**

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

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

**Local Assistance (Senate)**

- A. Cape Vincent Chamber of Commerce Fishing Tournaments Working Capital (Jefferson County) - \$10,000  
B. SUNY Ulster Pfeiffer Center for Business Innovation and Technology Capital (Ulster County) - \$150,000

**V. MOYNIHAN STATION DEVELOPMENT CORPORATION**

- A. New York City (New York County) – Moynihan Station Civic and Land Use Improvement Project - Authorization to Enter Into a Contract with the Hardwick Law Firm, LLC to Provide Legal Services in Connection with the Financing of the Daniel Patrick Moynihan Station  
B. New York City (New York County) – Moynihan Station Civic and Land Use Improvement Project - Authorization to Enter Into a Contract with the Law Firm of Orrick Herrington & Sutcliffe LLP to Provide Legal Services in Connection with the Financing of the Daniel Patrick Moynihan Station

**VI. ADMINISTRATIVE ACTION**

- A. World Trade Center Rent Reduction Program – Adoption of Revised Program Guidelines

**VII. EXECUTIVE SESSION**

- A. Authorization to Retain Counsel

**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

and

New York State Department of Financial Services  
1 State Street  
New York, New York 10006

June 25, 2015

**MINUTES**

**In Attendance  
Directors:**

Howard A. Zemsky – Acting Commissioner of DED (Acting Chair)  
Kenneth Adams  
Hilda Rosario Escher  
Joyce Miller  
Mark Silver – Designee – Acting 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  
Richard Dorado, Senior Counsel  
Sam Filler, Director – Industry Development  
Elizabeth R. Fine, Executive Vice President, Legal and  
General Counsel  
Carey Gabay, First Deputy General Counsel  
Howard Kramer, Director – Marketing Finance  
Edwin Lee, Vice President – Economic Incentives-Loans and Grants  
Benson Martin, Director of Compliance  
Glendon McLeary, Assistant Vice President – Economic Incentives  
-Loans and Grants  
Kathleen Mize, Deputy CFO and Controller  
Marion Phillips, Senior Vice President-Community Relations

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Ray Salaberrios, Managing Direct – Job Development Authority  
Rachel Shatz, Vice President – Planning & Environmental Review  
Regina Stephens, Acting Secretary  
Kay Wright, Executive Vice President – Public Affairs  
Lourdes Zapata, Executive Director - MWBD

**Also Present for ESD:**

Michael Ball – Western New York Regional Office  
Kelly Baquerizo - Albany Office  
James Fayle, Director – Central New York Regional Office  
Steve Gawlik – Western New York Regional Office  
Barry Greenspan –Long Island Regional Office  
Edward Muszynski - Finger Lakes Regional Office  
Bonnie Palmer – Director, Southern Tier Regional Office  
Brian Scripture – Long Island Regional Office  
Kenneth Tompkins, Director – Mohawk Valley Regional Office  
John VanDeLoo – North Country Regional Office  
Arnold Will – Capital Region Regional Office

**Present for  
Brooklyn Bridge Park  
Development Corp.**

Regina Myer, President - BBPC  
David Lowen - BBPC  
Other BBPC Staff

**Also Present:**

The Press  
The Media

The Public

Zeeshan Ott for Senator Daniel Squadron  
Lee Grant  
Henry Richmond – People for Green Space  
Stephen Houck  
Zoltan Hankovsky  
Todd Castilow – New York City Public School 8  
Jeffrey Smith  
Jonathan Holman  
Martin Hale – Save Pier 6  
Raphael Guidone  
Alec Sash  
Anthony Manheim – Campaign for Brooklyn Bridge Park  
Patrick Kolacki – Brooklyn Heights Association  
Nate Rubin – Atlantic Avenue LDC  
Louise Matthews

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 9:46 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 May 18, 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 MAY 18, 2015 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION**

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RESOLVED, that the Minutes of the meeting of the Corporation held on May 18, 2015, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

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Mr. Dorado then presented an item related to the adoption of the Modified General Project Plan for the Brooklyn Bridge Park Civic and Land Use Improvement Project for the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Directors' consideration.

Among other things, Mr. Dorado noted that the modification concerns the development parcel located on the Pier 6 uplands. He noted that the modification was requested by the Brooklyn Bridge Park Corporation (“BBPC”), a not-for-profit Corporation established by the City of New York.

BBPC, Mr. Dorado noted, requested the modification in accordance with the stipulation and Order of Settlement for litigation commenced by People for Green Space Foundation.

Mr. Dorado then provided further information with regard to the specifics of what the Directors were being asked to consider.

Following the full presentation, the Acting Chair called for questions or comments from the Directors. He then called for comments from the public.

A number of members of the public provided comments with regard to this item.

Mr. Zeeshan Ott, speaking on behalf of Senator Squadron, noted the Senator’s long opposition to a luxury housing plan for Brooklyn Bridge Park. He went on to noted that it is understood that today is not the day for specific input on underlying substantive issues but the beginning of a process that is meant to allow for public input and full consideration of

**DRAFT – SUBJECT TO REVIEW AND REVISION**

modifications to the park plan.

In that vein, Mr. Ott urged the State to schedule the public hearing at a time and in a place that is accessible to as many community members as possible and to avoid holding it in August when community boards and local groups do not meet.

Next, Ms. Lee Grant, the President of Brooklyn Bridge Park, a coalition of 11 long-standing community associations, spoke. She noted her view that a new Environmental Impact Statement should be authorized before moving forward on a Modified General Project Plan. Ms. Grant then explained her reasons in detail for making this request.

Mr. Henry Richmond, the Director of People for Green Space Foundation, noted his opposition to the proposed modification explaining, among other things, that the affordable housing component is unnecessary and will not generate funds to support the park.

Among other things, Mr. Richmond stated that a supplemental environmental impact statement that includes park finances and reduced density alternatives is warranted.

Mr. Stephen Houck, a resident of Brooklyn, stated that the beautiful parkland at the entrance of New York Harbor is a mandatory evacuation flood zone and is deserving of the Governor's protection especially given the events of Super Storm Sandy.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Next, Mr. Zoltan Hankovsky, an area resident, addressed matters relating to Pier 6 noting his opinion that a new environmental impact statement is needed.

Mr. Todd Castilow of New York City Public School 8 also stressed the need for a new Environmental Impact Statement especially given the fact that P.S. 8 is the school that the children from the Pier 6 development would attend if the project proceeds.

Mr. Jeffrey Smith, an area resident, asked the Directors to seriously consider the actions that they are being asked to approve and the impact that they will have on the community.

Mr. Jonathan Holman, an area resident, stated that in moving forward with the proposed modification, the Corporation will essentially be blocking the entrance to a grand urban landscape.

Mr. Martin Hale of Save Pier 6 noted that their group has a petition with approximately 5,000 signatures pleading for more park space. He added his opinion that a Supplemental Environment Impact Statement should be required.

Mr. Raphael Guidone, an area resident, stated his belief that an updated environmental impact statement is critical before consideration can be given to the proposed modification.

Mr. Alec Sash also expressed his view that a Supplemental Environmental Impact

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Statement should be required to address the potential effects on the community of the proposed modification.

Mr. Anthony Manheim, representing the Campaign for Brooklyn Bridge Park, stressed his view that not only should a new Environmental Impact Statement be required but the proposed modification should also be subject to the ULURP process.

Mr. Patrick Kolacki, the President of the Brooklyn Heights Association spoke. He asked the Directors not to approve the proposed modification because he believes that they do not have sufficient information to make that decision at this time.

Among other things, Mr. Kolacki strongly urged the Directors to wait for an independent financial analysis before considering a modification to the General Project Plan.

Mr. Nate Rubin representing the Atlantic Avenue Local Development Corporation noted that the original intention of buying the park was to build an iconic park to prevent development and he expressed his belief that that intention needs to be kept on track.

Ms. Louise Matthews, an area resident, was the final speaker. Ms. Matthews noted that she was one of the first consultants in 1997 hired by Brooklyn Bridge Park Corporation to prepare an economic viability study. She expressed her happiness at the resounding success that the park has become.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Ms. Matthews went on to state that she supports the testimony of those who spoke before her.

Among other things, Ms. Matthews noted her belief that any housing that may be built should be minimal and should only be built to fund the park. She went on to note that she is in full support of updating the Environmental Impact Statement.

At the Acting Chair's request, Ms. Fine provided the background information regarding this project from its inception through to the present activities.

Ms. Fine went on to explain that the proposed modification does basically three things as follows: (i) reduces the envelope for buildings that would go up on Pier 6 so that the mechanicals on the building would be included within the envelope of the building; (ii) defers to the BBPC any decisions about what the content of those buildings would be, whether they will include affordable housing and community facilities and the number of units will be allocated between the two buildings; and (iii) allows for movement of a road outside the buildings.

Ms. Myer, the President of BBPC, provided further background information with regard to the origins of the project as well as the funding sources utilized in opening the park in phases.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Ms. Shatz then addressed the environmental issues. She noted in part that when projects are located in the City of New York, ESD follows the City Environmental Quality Review (“CEQR”) Technical Manual Guidance which provides methodologies and appropriate study areas and thresholds for 19 environmental categories which the Tech Memo addresses.

Ms. Shatz went on to note that the conclusion from each of these 19 areas was that there were no significant adverse impacts and that is the determination that is needed to decide whether or not an SEIS is needed.

The Acting Chair called for questions from the Directors to Ms. Myer, Ms. Shatz or Ms. Fine.

Director Adams asked Ms. Fine to provide a synopsis of what would be triggered by the Directors’ actions today and Ms. Fine provided the same information she had shared earlier and a brief discussion was had with regard to this information.

Director Miller inquired with regard to the issues raised by the public regarding the need for a Supplemental Environmental Impact Statement (“SEIS”). It was noted that the Directors could make that decision today or when the project returns for affirmation later in the year.

Among other things, it was noted that this would cause a significant delay in the process

**DRAFT – SUBJECT TO REVIEW AND REVISION**

The Acting Chair called for questions from the Directors to Ms. Myer, Ms. Shatz or Ms. Fine.

Director Miller then asked that certain of the issues mentioned by the public including school overcrowding, transportation and the financial analysis be addressed by ESD staff.

Ms. Shatz said she would address the school plan and the transportation question. She then noted, in part, that staff worked with the School Construction Authority and the Department of Education with regard to an allotment of resources on construction of new schools and a brief discussion ensued regarding that issue.

Director Adams then asked if it is correct that the Tech Memo is the basis for the staff recommendation and that no SEIS is needed and Ms. Shatz stated that that was correct.

Director Adams asked when the Tech Memo was made public and Ms. Shatz stated that it was made public in November of 2014 and posted to the BBPC website at that time.

Director Adams then asked if the redevelopment of the LICH site was considered in the formulation of the Tech Memo. Ms. Shatz stated that the project had not been publicly announced at the time the Tech Memo was prepared but development in the area was looked into.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Lowen noted that in order for the LICH project to move forward, it has to undergo the ULURP process which will include its own zoning environmental process.

Following a brief discussion on the prudence of reviewing the impacts of these projects on the community as a whole rather than reviewing them individually, Ms. Shatz addressed the transportation issue raised by Director Miller earlier.

Ms. Shatz explained the CEQR methodology utilized in reviewing and analyzing the overall project traffic.

Ms. Myer then noted that the park has a Loop Road and BBPC is fine tuning the traffic patterns based upon recommendations of a consultant and in conjunction with the New York City DOT.

Ms. Myer also noted that the overall projections for the park are based on a 50-year model of making sure that this is a self-sustaining park over the long term especially given the very large liability of the waterfront infrastructure.

Further discussion was had with regard to various issues including the community's desire for a new environmental impact statement and school overcrowding.

The Acting Chair then asked Ms. Fine to explain the implications of the Directors

**DRAFT – SUBJECT TO REVIEW AND REVISION**

choosing not to approve the proposed resolutions. Ms. Fine noted that the language in the General Project Plan would continue as it is now.

Ms. Fine noted that the GPP presently calls for a building approximately 315 feet in height with up to 290 units and another building approximately 155 feet in height and could contain up to 140 units.

Ms. Miller expressed concern about, among other things, moving forward utilizing the Tech Memo and a ten year old EIS.

Mr. Dorado noted that if no action is taken today, there will be no public hearing and no further opportunity for comment.

In answer to questions raised by Director Adams regarding moving forward with the Tech Memo, Mr. Dorado explained that if at the end of the process, the Directors find that the Tech Memo is insufficient, they can require whatever further environmental review they prefer.

Mr. Dorado further stated that moving forward on this action would be getting the process started.

Following further discussion that was had with regard to the Tech Memo and its preparation, the Acting Chair called for any further questions or comments from the Directors.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

New York City (Kings County) – Brooklyn Bridge Park Civic and Land Use Improvement Project – Adoption of Modification to the Modified General Project Plan; Determination that No Supplemental Environmental Impact Statement is Required; Authorization to Hold Public Hearing; and Authorization to Take Related Actions

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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 relating to the Brooklyn Bridge Park Civic and Land Use Improvement Project (the “Project”), the Corporation does hereby adopt, for purposes of the public hearing required by the New York State Urban Development Corporation Act of 1968, as amended (the “UDC Act”), and as may be required by or appropriate to other applicable laws, the proposed modification (the “Modification”) to the Modified General Project Plan for the Project as set forth in the Materials, together with such other changes as the Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; and be it further

RESOLVED, that after review of the Final Environmental Impact Statement prepared in 2005, the Findings of the Corporation under the State Environmental Quality Review Act affirmed on January 18, 2006, and the Technical Memorandum, dated November 2014, as set forth in the Materials, the Corporation finds that the proposed Modification does not require a Supplemental Environmental Impact Statement; and be it further

RESOLVED, that the Modification to the Modified General Project Plan shall not be final until and unless appropriate action is taken as provided in the UDC Act and until such time as all requirements of the UDC Act and other applicable laws in connection therewith have been satisfied; and be it further

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

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Ms. Mize then presented ESD’s Annual Financial Reports for consideration by the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Directors.

Ms. Mize explained that the Public Authorities Law requires annual approval by the Corporation’s Directors and certifications by the Chief Executive Officer and Chief Financial Officer, or the designated Finance Officer, of certain financial reports (the “Reports”).

Ms. Mize further explained that the Report consists of financial information set forth in the consolidated financial statements and independent auditor’s report. The audit report, she added, is prepared by the Corporation’s independent audit firm, Toski and Company PC.

Ms. Mize further noted that the Corporation’s Audit Committee reviewed and approved the Audit Report for approval by ESD’s Directors.

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 CORPORATION – (the “Corporation”) Approval of Certain Annual Financial Reports and Authorization to take Related Actions

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WHEREAS, the Corporation wishes to comply with §2800 of the Public Authorities Law (the Law) which mandates that public benefit corporations annually prepare certain financial reports (the Report) which for the Corporation and its subsidiaries consists of the independent audit;

WHEREAS, an independent audit is required by §2802 of the Law;

**DRAFT – SUBJECT TO REVIEW AND REVISION**

WHEREAS, §2800 of said Law also requires the annual approval by the Board and certifications by the Chief Executive Officer and Deputy Chief Financial Officer & Controller of the Report;

WHEREAS, an independent audit has been prepared for the fiscal year ending March 31, 2015;

WHEREAS, the Corporation has reviewed said Report and found it to be satisfactory; and

NOW, THEREFORE, based on the materials submitted herewith, IT IS HEREBY RESOLVED that the Report is hereby approved; and it is further

RESOLVED, that the President and Chief Executive Officer, Deputy Chief Financial Officer & Controller, Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit said Report, as required by law, and to take such action and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in connection with the implementation and approval of the Report and to take related actions.

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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 25 Discretionary Projects including: one \$168,300 Craft Beverage Marketing grant; four Empire State Economic Development Fund grants totaling \$6,628,500; and one Empire State Development Operating Fund loan for \$500,000.

Mr. McLeary explained that the 25 projects include 20 Regional Council Award grants including three Economic Development Fund grants totaling \$1,000,000 and 12 Regional

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Council Capital Fund grants totaling \$10,673,000; and one Market New York grant for \$460,137.

Mr. McLeary added that these 25 projects will leverage over \$497 million in additional investments and will assist in retaining 1,661 jobs and in creating approximately 426 jobs in New York State.

The Acting Chair then asked the presenters to provide brief accounts of each project. He explained that questions and the votes would be taken at the end of the presentations.

Mr. Muszynski, representing ESD's Finger Lakes Regional Office, presented the Retrotech Economic Development Fund project for the Directors' consideration.

Mr. Muszynski explained that the \$500,000 grant will be used for a portion of the cost of the purchase of machinery and equipment in connection with this business expansion project.

Mr. Muszynski noted that the Company designs and produces custom materials and handling systems.

Mr. Muszynski further noted that because of the significant growth, the Company needed a larger facility and looked in the Finger Lakes region as well in Illinois. ESD, he added, offered a \$500,000 capital grant and the Company settled on its project location in the suburb of West Henrietta.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Muszynski further noted that the project has resulted in the company retaining 87 jobs and creating 23 new jobs. All of the new jobs, he explained, have already been created.

Next, Mr. VanDeLoo representing ESD's North Country Regional Office, presented the Upstate Niagara Cooperative Economic Development Fund item for the Directors' consideration.

Mr. VanDeLoo explained that the Directors are being asked to authorize ESD to make a \$400,000 grant to the Upstate Niagara Cooperative.

Mr. VanDeLoo further explained that the total project cost is \$14 million and that Upstate Niagara purchased, renovated and equipped a 100-year old under-performing dairy farm in St. Lawrence County. He further noted that the Company also purchased and installed new state-of-the-art equipment for the production of regular and Greek style yogurt.

Mr. Phillips then asked the Directors to authorize ESD to make a \$500,000 loan to the Bronx Overall Development Corporation to capitalize a revolving small business loan fund.

Next, Mr. Filler presented a Craft Beverage Grant Program item for the Directors' consideration.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Ms. Kang then presented the Brooklyn Navy Yards/Steiner Studios Regional Council Awards item for the Directors' consideration.

Mr. Ball, representing ESD's Western New York Regional Office then presented the Alfred High Temperature Lab item for the Directors' consideration.

Mr. Ball explained that the Directors were being asked to authorize ESD to make a \$2,800,000 grant to Alfred University to be used for a portion of the costs of specialized machinery and equipment.

Next, Mr. Ball presented the SUNY Research Foundation SAMC Regional Council Capital Fund item for the Directors' consideration.

Mr. Ball then asked the Directors to authorize ESD to make a \$268,000 grant to the Darwin Martin House Restoration Corporation to be used for a portion of the cost of the basement restoration.

The Directors were then asked by Mr. Tompkins, the Director of ESD's Mohawk Valley Regional Office to authorize ESD to make a \$1,775,000 grant to the Living Learning Center to be used for a portion of the construction, renovations and the purchase cost of machinery and equipment.

Next, Mr. Greenspan representing ESD's Long Island Regional Office asked the Directors

**DRAFT – SUBJECT TO REVIEW AND REVISION**

to approve a \$1,000,000 grant to Stony Brook University to be used for a portion of the cost of facility renovation and the purchase of machinery and equipment for Stony Brook’s College of Engineering and Applied Sciences.

Mr. Scripture, also representing ESD’s Long Island Regional Office, then presented the H.F. Corwin and Sons Regional Council Awards item for the Directors’ consideration.

James Fayle, the Director of ESD’s Central New York Regional Office, then asked the Directors to authorize ESD to make a \$680,000 grant to the Gear Factory to be used for a portion of the cost of building renovations and infrastructure upgrades, including a new green roof.

Next, Mr. Fayle presented the Novelis RCA item for the Directors’ consideration.

Mr. Muszynski then presented an item relating to the University of Rochester for the Directors’ consideration.

Next, Mr. VanDeLoo presented the Heuvelton Wastewater Improvements Regional Council Capital Fund item for the Directors’ consideration.

Ms. Palmer, the Directors of ESD’s Southern Tier Regional Office then presented the Corning Diesel item for the Directors’ consideration.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

The Directors were then asked by Ms. Palmer, to authorize ESD to make a \$728,500 grant to the Broome County Industrial Development Agency for the benefit of the Indian Valley Industries, Inc.

Next, Mr. Will asked the Directors to approve a \$250,000 grant in connection with the Urban Grow Center Regional Council Award Project.

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

Ms. Bethune then presented the June Regional Council Awards Consent Calendar for the Directors' consideration.

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

The Acting Chair then asked if there were any questions or comments on the preceding 21 projects. Hearing none, and upon motion duly made and seconded, the Resolutions for items II. A. through IV. A. were unanimously adopted:

West Henrietta (Finger Lakes Region – Monroe County) – Retrotech 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;

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Retrotech Capital -- Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

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

RESOLVED, that the 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 Retrotech, Inc. 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

necessary or appropriate in the administration of the grant; and be it further

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

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

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North Lawrence (North Country Region – St. Lawrence County) – Upstate Niagara Cooperative Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upstate Niagara Cooperative Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Upstate Niagara Cooperative Inc. a grant for a total amount not to exceed Four Hundred Thousand Dollars from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Bronx (New York Region – Bronx County) – Bronx Overall Economic Development Corporation Bronx Revolving Loan Fund – ESD Operating Funds Loan – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Loan and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Bronx Overall Economic Development Corporation Bronx Revolving Loan Fund. -- Loan Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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Bronx (New York City Region – Bronx County) – Bronx Overall Economic Development Corporation Small Business Assistance Funding – ESD Operating Funds Loan– Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Bronx Overall Economic Development Corporation Bronx Revolving Loan Fund project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Statewide – Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grant 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grant 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 (\$168,300) 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.

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Regional Council Award – Priority Project - Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund and Regional Council Capital Fund (Capital Grants) – Authorization to Accept and Approve the Final Environmental Impact Statement (“FEIS”); Authorization to Publish, File and Circulate the FEIS; and Authorization to Take Related Actions

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RESOLVED, that in connection with the Steiner Studios Media Campus Project (the “Project”) and on the basis of materials submitted prior to and during this meeting, the Corporation hereby determines that the Final Environmental Impact Statement (“FEIS”) is complete with respect to scope, content and adequacy, and adequately assesses the environmental impacts of the Project, and otherwise meets the requirements of the New York State Environmental Quality Review Act and is in proper form for publication, filing and circulation to the public; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee, and each of the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

same, hereby is authorized to publish, file and circulate the FEIS and to take any and all such other action as may be deemed necessary or appropriate in connection with the distribution of the FEIS, including without limitation, the publication of a notice relating to such issuance; 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; and be it further

RESOLVED, that any and all acts performed by any officers of the Corporation prior to the date of these resolutions in furtherance of these resolutions, are hereby ratified, adopted, confirmed and approved in all respects.

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Regional Council Award – Priority Project – Alfred (Western New York Region – Allegany County) – Alfred High-Temperature Lab Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Alfred High-Temperature Lab 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 Alfred University a grant for a total amount not to exceed Two Million Eight Hundred Thousand Dollars (\$2,800,000) from the Regional Council Capital Fund, for the purposes, and

**DRAFT – SUBJECT TO REVIEW AND REVISION**

substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Regional Council Award – Priority Project – Alfred (Western New York Region – Allegany County) – Alfred High-Temperature Lab Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Alfred High-Temperature Lab Capital – Regional Council Capital Fund (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Regional Council Award – Priority Project – Wellsville (Western New York Region – Allegheny County) – SUNY Research Foundation SAMC Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the SUNY Research Foundation SAMC 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 The Research Foundation of the State University of New York 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.

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Regional Council Award – Priority Project – Wellsville (Western New York Region – Allegheny County) – SUNY Research Foundation SAMC Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that based on the material submitted to the Directors with respect to the SUNY Research Foundation SAMC Capital – Regional Council Capital Fund (Capital Grant) Project the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Regional Council Award – Priority Project – Buffalo (Western New York Region – Erie County) – Darwin Martin 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Darwin Martin 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 Martin House Restoration Corporation a grant for a total amount not to exceed Two Hundred Sixty-eight Thousand Dollars (\$268,000) 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

**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

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

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Regional Council Award – Priority Project – Herkimer (Mohawk Valley Region – Herkimer County) – Living Learning Center Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Valley Health Services a grant for a total amount not to exceed One Million Seven Hundred and Seventy Five Thousand Dollars (\$1,775,000) 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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Regional Council Award – Priority Project - Herkimer (Mohawk Valley Region – Herkimer County) – Living Learning Center Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

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Regional Council Award – Priority Project – Stony Brook University (Long Island Region – Suffolk County) – Stony Brook University Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Stony Brook University 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

**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 Stony Brook University 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.

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Regional Council Award – Aquebogue (Long Island Region – Suffolk County) – H. F. Corwin and Sons Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the H. F. Corwin and Sons Capital – Empire State Development Economic Development Fund – General Development

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to H. F. Corwin and Sons Inc. a grant for a total amount not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000) 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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Regional Council Award – Syracuse (Central New York Region – Onondaga County) – The Gear Factory Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to The Gear Factory 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 Vibrant Syracuse Spaces, LLC d/b/a The Gear Factory a grant for a total amount not to exceed Six Hundred and Eighty Thousand Dollars (\$680,000) 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

**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

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Novelis Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Novelis Corporation a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) from the 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.

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Regional Council Award – Oswego (Central Region – Cayuga County) – Novelis Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

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Regional Council Award – Priority Project – Rochester (Finger Lakes – Monroe County) –

**DRAFT – SUBJECT TO REVIEW AND REVISION**

University of Rochester Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Health Sciences Center for Computational Innovation 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 University of Rochester 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 grants, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

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

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

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Regional Council Award - Heuvelton (North Country Region – St. Lawrence County) – Heuvelton 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Heuvelton Wastewater 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 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 Village of Heuvelton 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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Regional Council Award - Painted Post (Southern Tier Region – Steuben County) – Corning Diesel Capital II – Empire State Economic Development Fund - General Development Financing and Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Corning Diesel Capital II – Empire State Economic Development Fund – General Development Financing and Regional Council Capital Fund (Capital Grants) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the

**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 to Corning Incorporated grants for a total amount not to exceed Three Million Dollars (\$3,000,000) from the Empire State Economic Development Fund and 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.

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Regional Council Award - Painted Post (Southern Tier Region –Steuben County) – Corning Diesel Capital II – Empire State Economic Development Fund – General Development Financing and Regional Council Capital Fund (Capital Grants) – Determination of No Significant Effect on the Environment

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

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Kirkwood (Southern Tier Region – Broome County) – Broome County IDA - Indian Valley Industries, Inc. – Empire State Economic Development Fund – General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and

**DRAFT – SUBJECT TO REVIEW AND REVISION**

10(g) of the Act; Authorization to Adopt the Proposed General Project Plan;  
Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Broome County IDA - Indian Valley Industries, Inc. Capital - Economic Development Fund - General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Broome County Industrial Development Agency a grant for a total amount not to exceed Seven Hundred Twenty Eight Thousand Five Hundred Dollars (\$728,500) from the Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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Regional Council Award – Priority Project - Troy (Capital Region – Rensselaer County) – Urban Grow Center Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Urban Grow Center Capital -- Economic Development Fund Capital Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

RESOLVED, that the 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Capital District Community Gardens, Inc. d/b/a Capital Roots a grant for a total amount not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000) from the Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Statewide – Market NY Grant Program – Regional Tourism Marketing Competition – Market New York (Capital and Working Capital Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Market NY Grant Program- Regional Tourism Marketing Competition (the “Project”) – Market New York Program and Economic Development Purposes Fund (Capital and 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 (\$460,137) 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.

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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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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>
	Regional Council Capital Fund			
A	Cobleskill Agricultural Society Fairgrounds Capital	Y300	Cobleskill Agricultural Society	\$25,000
B	Valley Cinema Digital Conversion Capital	Z032	Valley Cinema	\$25,000
C	Ansen Corporation improvements Capital	Y825	Ansen Corporation	\$100,000
			<b>TOTAL</b>	<b>\$150,000</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.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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**SUNY 2020 Challenge Grant – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions**

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the SUNY 2020 Challenge 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(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 SUNY 2020 Challenge 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 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

**SUNY 2020 Challenge Grant – Executive – Project Summary Table**

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Local Assistance</b>			
A	SUNY Water Research and Education Center at Onondaga Lake Capital	AA031	ESF College Foundation, Inc. on behalf of The State University of New York College of Environmental Science and Forestry	\$20,000,000
			<b>TOTAL</b>	<b>\$20,000,000</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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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. Gawlik presented an item relating to the Land Bank Program.

Mr. Gawlik then asked the Directors to authorize ESD to enter into an amended contract for consulting services relating to the Buffalo Strategy Implementation Support Services.

Next, Ms. Warren asked the Directors to authorize ESD to enter into a contract for consulting services relating to the 2015 Statewide MWBE Forum.

Mr. Petroff then asked the Directors to authorize ESD to reimburse the Port Authority for consulting expenses.

Next, Mr. Kaplowitz asked the Directors to ratify actions in support of the Trade Mission.

Mr. Lee then presented the 2014-2015 Performance Measurement Report for acceptance by the Directors.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

\* \* \*

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter into a Contract for Consultant Services relating to the Buffalo Strategy Implementation Support Services; and Authorization to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds the Research Foundation for SUNY on behalf of the University at Buffalo to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend the contract with the Research Foundation for SUNY on behalf of the University at Buffalo for an amount not to exceed Nine Hundred Ninety Nine Thousand and Six Hundred Ninety Four dollars (\$999,694) for a total contract amount not to exceed One Million Nine Hundred Ninety Nine Thousand and Five Hundred Three dollars (\$1,999,503) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT (the “Corporation”) – Authorization to Enter Into a Contract with Sacks Communications, Inc. to provide Event Planning & Management Consulting Services and to Take Related Actions

---

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Sacks Communications, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Sacks Communications, Inc. with a fee amount of One Hundred Eleven Thousand Three Hundred Dollars and no cents (\$111,300.00), plus reimbursable expenses as estimated in the Materials, for a total amount not to exceed Two Hundred Seventy Three Thousand Three Hundred Dollars and no cents (\$273,300.00) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

\* \* \*

Empire State Development – Authorization to Reimburse the Port Authority of New York and New Jersey for Consulting Expenses and to Take Related Actions

---

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation is hereby authorized to reimburse the Port Authority of New York & New Jersey an amount not to exceed ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$125,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Ratification of Actions Taken  
in Support of the Trade Mission

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BE IT 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”), all actions taken and expenses incurred in connection with the Global NY Trade Mission to Cuba, as more fully set forth in the Materials, be, and they hereby are, ratified and adopted as the acts and deeds of the Corporation.

\* \* \*

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Acceptance of FY 2014-2015  
Performance Measurement Report

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WHEREAS, New York State Public Authorities Law § 2824-a annually requires each authority to create a performance measurement report that is consistent with the authority’s mission statement and performance measurements, therefore

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is order filed with the records of the Corporation (the “materials”), the Directors hereby accept the FY 2014-15 Performance Measurement Report.

\* \* \*

Mr. Conoscenti then asked the Directors to authorize ESD to Conditionally Designate the Operator and Manage of the Cultural Arts Component and to enter into Lease/Operating Agreement in connection with the Victoria Theater Redevelopment Project.

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

New York City (New York County) - Victoria Theater Redevelopment Project – Operator

**DRAFT – SUBJECT TO REVIEW AND REVISION**

and Manager of Cultural Arts Component - Authorization to Conditionally Designate Operator and Manager and Enter into Lease/Operating Agreement; Authorization to Take Related Actions

---

BE IT RESOLVED, that based on the materials presented at this meeting (the “Materials”) a copy of which is hereby ordered filed with the records of the corporation, the Corporation hereby finds Apollo Theater Foundation, Inc. to be responsible; and be it further.

RESOLVED, that in accordance with the Materials, the Corporation is hereby authorized to Conditionally Designate Apollo Theater Foundation, Inc. as the operator and manager of the Cultural Arts Space at the Victoria Theater Redevelopment Land Use Improvement and Civic Project at 235-237 West 125th Street and enter into negotiations for a lease/operating agreement with Apollo Theater Foundation, Inc. and be it further.

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

\* \* \*

Next, Ms. Bethune presented an informational report on the Ephesus Technologies Project.

Acting Chair Zemsky then called for a motion to conduct an Executive Session pursuant to paragraph (d) & (h) of subdivision 1 of Section 105 of the New York State Open Meetings Law. Upon motion duly made and seconded, the following resolution was adopted:

EXECUTIVE SESSION – Pursuant to Paragraph (d) & (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law

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RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (d) & (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

All persons were requested to leave the room with the exception of the Directors and members of the senior staff. The Executive Session ended at 12:49 p.m. It was noted for the record that no votes were taken during the Executive Session.

The Acting Chair asked the Directors to approve the resolution that was considered in Executive Session.

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 Settlement Agreements in Connection with Vinson v. HCDC, Index No. 14-CV-4068 (S.D.N.Y.), and to Take All Related Actions

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RESOLVED, that the Corporation is authorized to enter into settlement agreements in connection with Vinson v. HCDC, Index No. 14-CV-4068 (S.D.N.Y.), as described in detail in the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, and to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing.

\* \* \*

Executive Session was adjourned and the Acting Chair noted that no votes were taken during Executive Session.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

There being no further business, the meeting was adjourned at 12:51 p.m.

Respectfully submitted,

Regina Stephens  
Acting Secretary

FOR CONSIDERATION

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Kirkwood (Southern Tier Region – Broome County) – Modern Marketing Concepts, Inc. Capital – JOBS Now Program (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:** Modern Marketing Concepts, Inc. (the “Company” or “MMC”)

**ESD\* Investment:** A grant of up to \$5,000,000 to be used for a portion of the cost of construction, renovation and purchase of furniture, fixtures and equipment

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

**Project Location:** 121-265 Industrial Park Drive, Kirkwood, Broome County

**Proposed Project:** Acquire, redevelop, and equip a predominantly vacant industrial structure into a multi-tenant facility to accommodate expansion of Modern Marketing Concepts, Inc., retaining the Company in New York State

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

**Employment:**

Initial employment at time of ESD Incentive Proposal:	310
Current employment level:	350
Minimum employment by January 1, 2020:	902*

\* New jobs will be created by Modern Marketing Concepts, Inc., its future subsidiaries, and LDCS, LLC

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$4,500,000
Construction/Renovation	10,000,000
Furniture, Fixtures & Equipment	2,450,000
Soft Costs (Professional Fees)	<u>50,000</u>
<b>Total Project Costs</b>	<b><u>\$17,000,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$5,000,000	29%	
JDA Loan	5,000,000	29%	4.19%/20 yrs/2nd lien on RE
Broome County IDA	4,500,000	27%	2.5%/20 yrs/3rd lien on RE
M&T Bank	800,000	5%	
Company Equity	<u>1,700,000</u>	<u>10%</u>	
<b>Total Project Financing</b>	<b><u>\$17,000,000</u></b>	<b><u>100%</u></b>	

III. Project Description

A. Company

**Industry:** Global business-to-business sales optimization using data-driven, digitally focused, multichannel sales campaigns.

**Company History:** Founded in 1986, MMC is a leader in business-to-business sales and marketing, serving as an economic driver behind Fortune 500 manufacturers and life science brands. The Company has two primary divisions as follows:

Motili, the building products division focuses on developing relationships with contractors, and property management customers to support property maintenance needs for its customers. Motili works with the largest names in the real estate owned, property management and home warranty markets, representing more than two million local homes and properties.

MMC's healthcare division specializes in the fields of medical devices and pharmaceuticals, fostering relationships between leading manufacturers and brands, as well as healthcare providers. The Company uses healthcare professional data and preferences to generate sales campaigns. By expanding the reach of client products (including "multi

channel" and virtual service, training and compliance services, providing on-line medical servicing for answers to healthcare questions and real-time training for application of medical procedures), MMC's healthcare division has helped to treat and heal millions of patients while providing billions of dollars in sales to its clients.

LDCS, LLC, created in 2006, is a real-estate holding company with one property located on Industrial Park Drive in Kirwood, NY. Its current (and only) tenant is Modern Marketing Concepts, Inc.

**Ownership:** MMC, Inc. is a privately held ESOP, with Daniel R. Babcock as majority shareholder, owning 70%. The Company is transitioning to a privately held C Corporation with Daniel R. Babcock as sole owner.

Lisa E. Babcock, wife of Daniel R. Babcock, is the sole owner of LDCS, LLC.

**Size:** All facilities located in the Town of Kirkwood, NY.

**Market:** MMC's clients are global and include some of the largest companies in the medical device, pharmaceutical, and building product markets. Some of the Company's primary clients include Carrier National (Indianapolis, IN), Goodman (Houston, TX), Lowes ( Mooresville, NC), and Fannie Mae (Washington, DC).

**ESD Involvement:** In late 2014, MMC approached the Broome County Industrial Development Agency (the "IDA") requesting assistance with for an expansion project to capitalize on new market opportunities. The IDA directed the Company to an IDA-owned property in Binghamton, offering to sell and hold the mortgage. In January of 2015, the IDA referred the Company to ESD for additional funding assistance needed to complete improvements to the property and for purchase of furniture, fixtures and equipment. ESD offered the Company a \$5,000,000n JOBS Now grant, together with an \$800,000 Excelsior Jobs Tax Credit to retain the Company in New York State. The Company signed an incentive proposal in June of 2015. MMC has also applied for a \$5 million Job Development Authority ("JDA") loan.

**Competition:** Florida and Colorado

**Past ESD Support:** ESD Directors approved a \$100,000 grant on October 14, 1998 for interior renovations to the Company's facility. Due to a downturn in the economy attributable to 9/11 terrorist attacks in 2001, the company failed to meet its employment goals for calendar year 2003. Subsequently, on August 2, 2004, ESD agreed to waive recapture of a portion of the Grant, opting instead to revise the time period for

attainment of the Company's employment goals. The Company has since far exceeded the original goals.

The Company further received benefits under the NYS Empire Zones program, claiming QEZE Sales Tax benefits between 2006 and 2009 totaling approximately \$70,000.

## B. The Project

Completion: December 2016

Activity: LDS, LLC in conjunction with MMC, will purchase a 426,000-square-foot building; conduct extensive renovations, including asbestos abatement and removal, interior demolition and reconstruction, electrical/HVAC upgrades for multi-tenant fit-out, roof repair/replacement, elevator installation, and installation of UPS redundancy and emergency power back up; acquire furniture, fixtures and equipment including computer hardware and software, telephony, security cameras, and other digital equipment. Upon completion of the project, the predominantly vacant structure will be transformed into a multi-tenant property, known as Business Link Park, with MMC occupying approximately 150,000 square feet of space and the remainder offered for lease.

Results: The project will retain 310 existing jobs and create 592 new jobs.

### 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 \$17,312,258;
- Fiscal cost to NYS government is estimated at \$5,573,158;
- Project cost to NYS government per direct job is \$18,330;

- Project cost to NYS government per job (direct plus indirect ) is estimated at \$12,326;
- Ratio of project fiscal benefits to costs to NYS government is 3.11:1;
- Fiscal benefits to all governments (state and local) are estimated at \$29,885,593;
- Fiscal cost to all governments is \$5,573,158;
- All government cost per direct job is \$18,330;
- All government cost per total job is \$12,326;
- The fiscal benefit to cost ratio for all governments is 5.36:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$221,658,282, or \$490,239 per job (direct and indirect);
- The economic benefit to cost ratio is 39.77:1;
- Project construction cost is \$10,050,000, which is expected to generate 100 direct job years and 40 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.49 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is four year.

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

Grantee Contact: Daniel R. Babcock, Chief Executive Officer  
 29 Industrial Park Drive  
 Binghamton, NY 13904  
 Phone: 607-744-3307

ESD Project No.: AA048

Project Team:	Origination	Bonnie Palmer
	Project Management	Omar Sanders
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Jonevan Hornsby
	Design & Construction	Marty Piecuch
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The 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. Upon receipt of the executed Grant Disbursement Agreement and documentation of 310 Full-time Employees at the Project Location, ESD shall deposit \$5,000,000 in 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 the terms approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements. Interest earned on the funds deposited in the Imprest Account must be returned to ESD quarterly.

The Grantee may, no more frequently than monthly, seek authorization to release funds from the Imprest Account to pay for eligible invoices due and payable, incurred by MMC and/or LDCS, LLC, during the course of the project in compliance with ESD Design and Construction Requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. Each subsequent disbursement request from the Imprest Account must include the current invoices presented for payment, together with proof of payment for invoices submitted for the previous draw request.

Any and all requests to draw down funds will be made upon presentation to ESD of an invoice and other such documentation as ESD may reasonably require. Expenditures must be incurred on or after June 22, 2015 to be considered eligible project costs. All disbursements must be requested by April 1, 2022.

Within six months of the final draw-down of funds, ESD will require full documentation of all eligible expenditures including invoices and proof of payment of

\$17,000,000.

6. ESD will be entitled to recoup any advanced funds that are not disbursed by the Grantee to vendors by June 30, 2020.
7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. 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	310
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A	B
Reporting Date	Employment Goals
February 1, 2016	310
February 1, 2017	310
February 1, 2018	310
February 1, 2019	310
February 1, 2020	310+X
February 1, 2021	310+X
February 1, 2022	310+X

X = Grantee's Employment Increment that will be required at the Project Location by January 1, 2020 (i.e. X=592, and Employment Goals shall equal [310 + X= 902])

#### IV. Statutory Basis

The project meets the statutory requirement of a JOBS Now Project because the Company will create at least 300 new full-time permanent private sector jobs. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Design and Construction

The project involves financial assistance with costs for renovations, fit out and furnishings in a former industrial building thus turning it into a multi-tenant facility. D&C staff will review applicable building plans and other related construction documents prior to commencement of construction. Once construction is underway, D&C will, at its option, attend construction meetings and monitor construction progress. D&C will review and approve all change orders and contractor requisitions, and verify that all requirements have been satisfied prior to the approval and release of ESD funds. D&C will at its discretion, visit the site before funds are distributed. The project will be reviewed in conjunction with D&C's requirements and forms.

#### VI. 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.

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

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. MMC 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 10% and a Women Business Enterprise (“WBE”) 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.

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

Project Photographs

July 16, 2015

Kirkwood (Southern Tier Region – Broome County) – Modern Marketing Concepts, Inc. Capital – JOBS Now Program (Capital Grant) – Findings and Determinations Pursuant to 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Modern Marketing Concepts, Inc. a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) from the JOBS Now Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

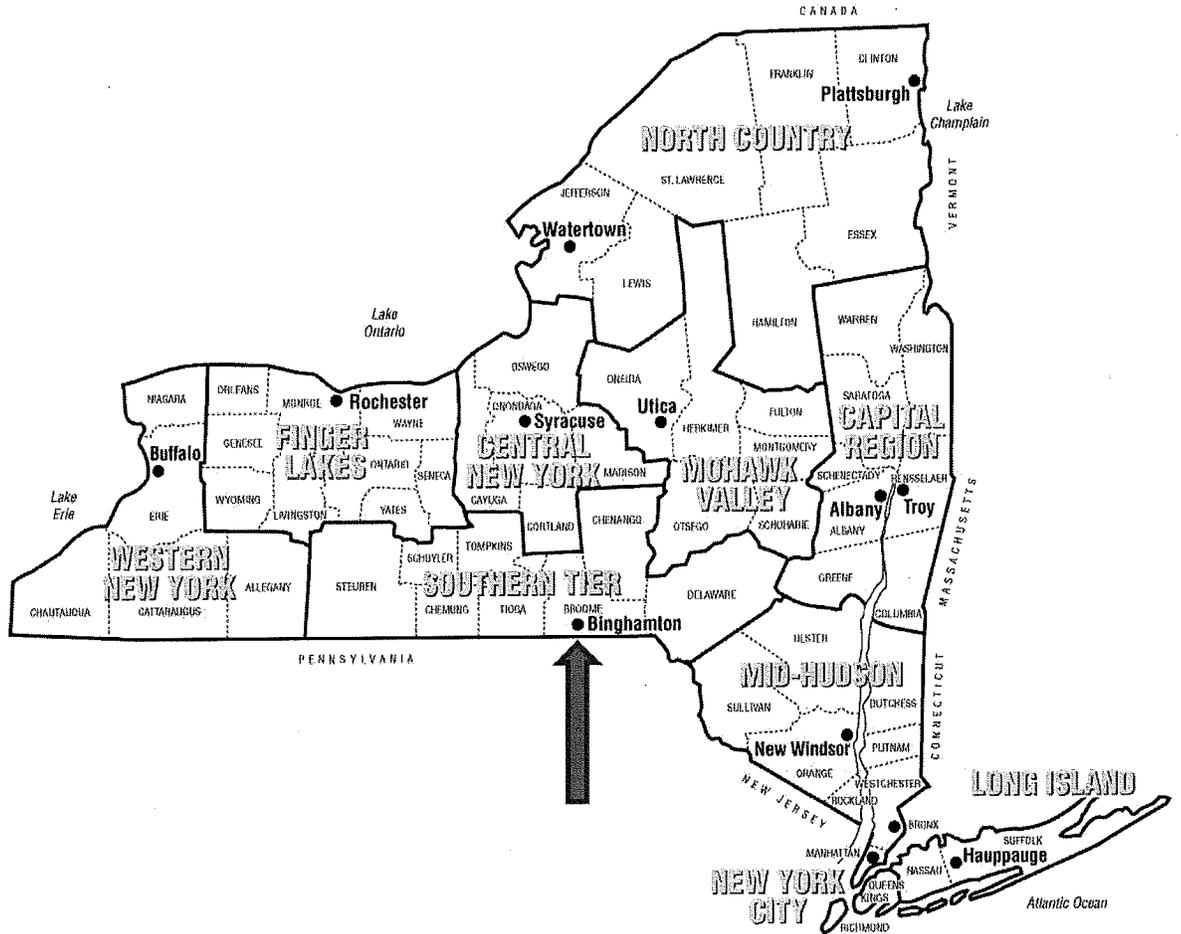
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver

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

\* \* \*

**Modern Marketing Concepts, Inc.**

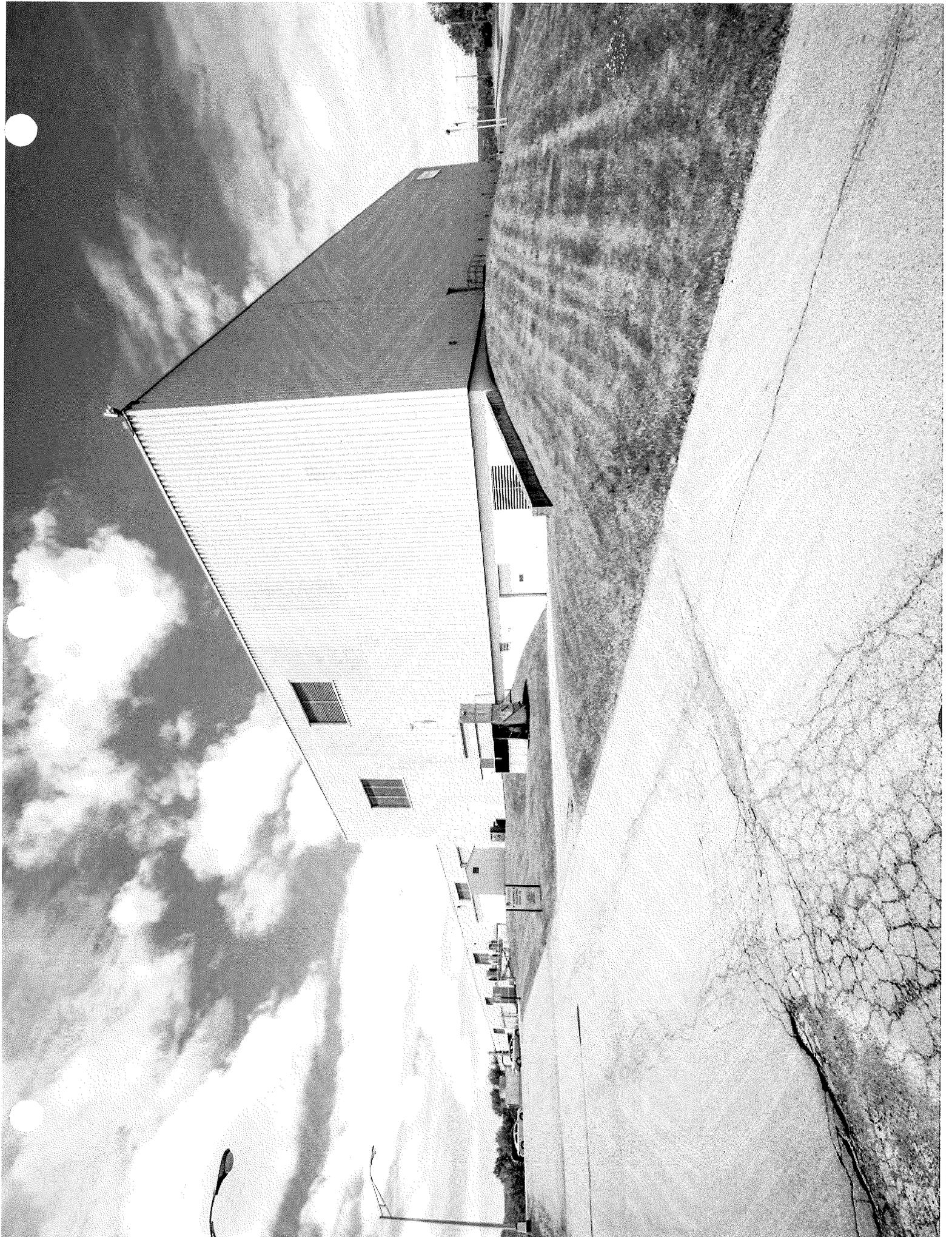
Kirkwood, NY - Southern Tier













FOR CONSIDERATION

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

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

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I. Project Summary

**Grantee:** MediaMath (the “Company”)

**ESD\* Investment:** A working capital grant of up to \$5,800,000 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:** 4 World Trade Center, New York

**Proposed Project:** Relocation of 200 Full-Time Permanent Employees from its 1440 Broadway headquarters, 1301 Avenue of the Americas, and 535 Madison Avenue office and creation of up to 1,000 Full-Time Permanent Employees to 4 World Trade Center

**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 May 2014. 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:	Prior to September 11, 2001:	0
	Initial employment at time of ESD Incentive Proposal:	200
	Current employment level:	375
	Minimum employment on December 31, 2017:	Up to 1,200

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Wages, rent, payroll taxes, Healthcare benefits	<u>\$5,800,000</u>	
Total Project Costs	<u>\$5,800,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	
ESD-Grant	\$5,800,000	100%
Total Project Financing	<u>\$5,800,000</u>	<u>100%</u>

## III. Project Description

### A. Company

Industry: Advertising

Company History: Established in 2007, MediaMath introduced the first demand-side platform (DSP) changing the way digital media is purchased and created a new, more efficient way for advertisers to reach consumers, individually and at scale. Today, MediaMath's Terminal One Marketing Operating System™ powers the marketing practice of more than 4,000 advertisers, helping them maximize the performance and ROI of advertising dollars. The Company currently has more than 450 employees around the globe, including offices in New York, Cambridge, San Francisco, London, and most recently, offices in Miami, Singapore, Sydney, Paris, Madrid, Sao Paulo and Tokyo.

Ownership: The Company is privately owned and majority-owned by employees.

Size: The Company has more than 450 employees and offices in New York, Boston, Chicago, Miami, San Francisco, Sao Paulo, London, Paris, Singapore, and Tokyo.

Market: MediaMath's clients include Merkle, L.L. Bean, Epsilon, mediaForge, ebay, Experian, Ogilvy, razorfish, mediamind, encore, adroit digital, theguardian, 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 13,220 attracted jobs and 5,173 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 MediaMath applied for ESD assistance in January 2014, it was occupying 23,000 square feet at 1440 Broadway with a lease expiration of October 2015 and 11,889 square feet of satellite spaces at 535 Madison Avenue with a lease expiration of January 2016. The Company also had 30,801 square feet at 1301 Avenue of the Americas with a lease expiration of April 2016. Due to the higher occupancy costs

of retaining its existing workforce of over 200 employees and creating an additional 1,000 jobs in New York City, MediaMath considered relocating to 480 Washington Boulevard in Jersey City, NJ. ESD funds were awarded through the Job Creation and Retention Program and the Company undertook a renovation project in 4 World Trade Center 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. MediaMath considered relocating to Jersey City, NJ.

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

**B. The Project**

**Completion:** September 2015

**Activity:** MediaMath is relocating to a new, unused space. The Company executed a lease agreement for three floors, or 106,000 square feet of space at 4 World Trade Center and completed leasehold improvements totaling approximately \$21,700,000. Work included tenant fit-out, and purchase of furniture, fixtures and equipment. The Company signed the lease in July 2014 and began work to renovate the space that is now complete. All employees began transferring to the new space in May 2015.

**Results:** Retain 200 existing jobs and create 1,000 new jobs. The Company has already created 175 new jobs.

**Grantee Contact:** Jeffrey Davis, VP of Finance  
1440 Broadway  
New York, NY 10018  
Phone: (646) 840-4274

**ESD Project No.:** Y935

<b>Project Team:</b>	Origination	Steve Gold
	Project Management	Charise Liggins
	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 \$5,800,000 will be disbursed in arrears to the Grantee in four installments as follows:
  - **Initial Disbursement:** \$800,000 will be disbursed upon evidence of employing at least 200 Full-time Permanent Employees on the Grantee's payroll by December 31, 2016, at the Project Location in Lower Manhattan. The Recipient will also receive \$5,000 for each Full-time Permanent Employee on its payroll at the Project Location in Lower Manhattan in excess of 200 Full-time Permanent Employees. The First Disbursement shall not exceed \$5,800,000.
  - **Second Disbursement:** If the Grantee employs at least 450 Full-time Permanent Employees on its payroll at the Project Location in Lower Manhattan (representing at least 250 newly created jobs since the date of accepting the Incentive Proposal), the Grantee will receive \$5,000 for each Full-time Employee on its payroll at the Project Location in Lower Manhattan in excess of the number of Full-time Permanent Employees that was the basis of the First Disbursement. The sum of the First and Second Disbursements shall not exceed \$5,800,000.
  - **Third Disbursement:** If the Grantee employs at least 700 Full-time Permanent Employees on its payroll at the Project Location in Lower Manhattan (representing at least 500 newly created jobs since the date of accepting the Incentive Proposal), the Grantee will receive \$5,000 for each Full-time Permanent Employee on its payroll at the Project Location in Lower Manhattan in excess of the number of Full-time Permanent Employees that was the basis of

the Second Disbursement. The sum of the First, Second, and Third Disbursements shall not exceed \$5,800,000.

- **Fourth Disbursement:** If the Grantee employs at least 950 Full-time Permanent Employees on its payroll at the Project Location in Lower Manhattan (representing at least 750 newly created jobs since the date of accepting the Incentive Proposal), the Grantee will receive \$5,000 for each Full-time Permanent Employee on its payroll at the Project Location in Lower Manhattan in excess of the number of Full-time Permanent Employees that was the basis of the Third Disbursement. The sum of the First, Second, Third and Fourth Disbursements shall not exceed \$5,800,000.

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 May 6, 2014 to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2020.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,800,000, 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 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, 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			200
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	200+X+Y+Z	75.0%	200%
2017	200+X+Y+Z	67.5%	200%
2018	200+X+Y+Z	60.0%	200%
2019	200+X+Y+Z	52.5%	150%
2020	200+X+Y+Z	45.0%	120%
2021	200+X+Y+Z	37.5%	100%
2022	200+X+Y+Z	30.0%	80%
2023	200+X+Y+Z	22.5%	60%
2024	200+X+Y+Z	15.0%	40%
2025	200+X+Y+Z	7.5%	20%

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant (i.e. X=250, and Employment Goals shall equal [200 + X = 450 South of Canal] if the Second Disbursement is made. The Company will receive \$5,000 for each employee on the payroll in Lower Manhattan in excess of the existing 200 Full-time Permanent Employees. The sum of the Initial and Second Disbursements shall not exceed \$5,800,000.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant (i.e. Y=250, and Employment Goals shall equal [200 + X + Y = 700 South of Canal] if the third Disbursement is made. The Company will receive \$5,000 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, Second and Third Disbursements shall not exceed \$5,800,000.

Z = Grantee's Employment Increment that will be the basis of the Fourth Disbursement of the Grant (i.e. Z=250, and Employment Goals shall equal [200 + X + Y + Z = 950 South of Canal] if the second Disbursement is made. The Company will receive \$5,000 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, Second, Third and Fourth Disbursements shall not exceed \$5,800,000.

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

- Other existing incentive transactions and offers received by the Grantee:**  
This is the only award of funding the Grantee is receiving for this project.
- Alternative locations the Grantee may be considering:**  
MediaMath considered relocating to Jersey City, NJ.

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 \$34,608,866;
  - Fiscal benefits to all governments (state and local) are estimated at \$76,472,021;
  - Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$473,096,813, or \$454,895 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: MediaMath generates an estimated \$253,447 annually in direct, indirect, and induced taxes for New York City, and an estimated \$229,792 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

Resolution  
New York State Map  
Project Finance Memorandum

July 16, 2015

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the MediaMath JCRP -- World Trade Center Job Creation and Retention 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 MediaMath a grant for a total amount not to exceed Five Million Eight Hundred Thousand Dollars (\$5,800,000) 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

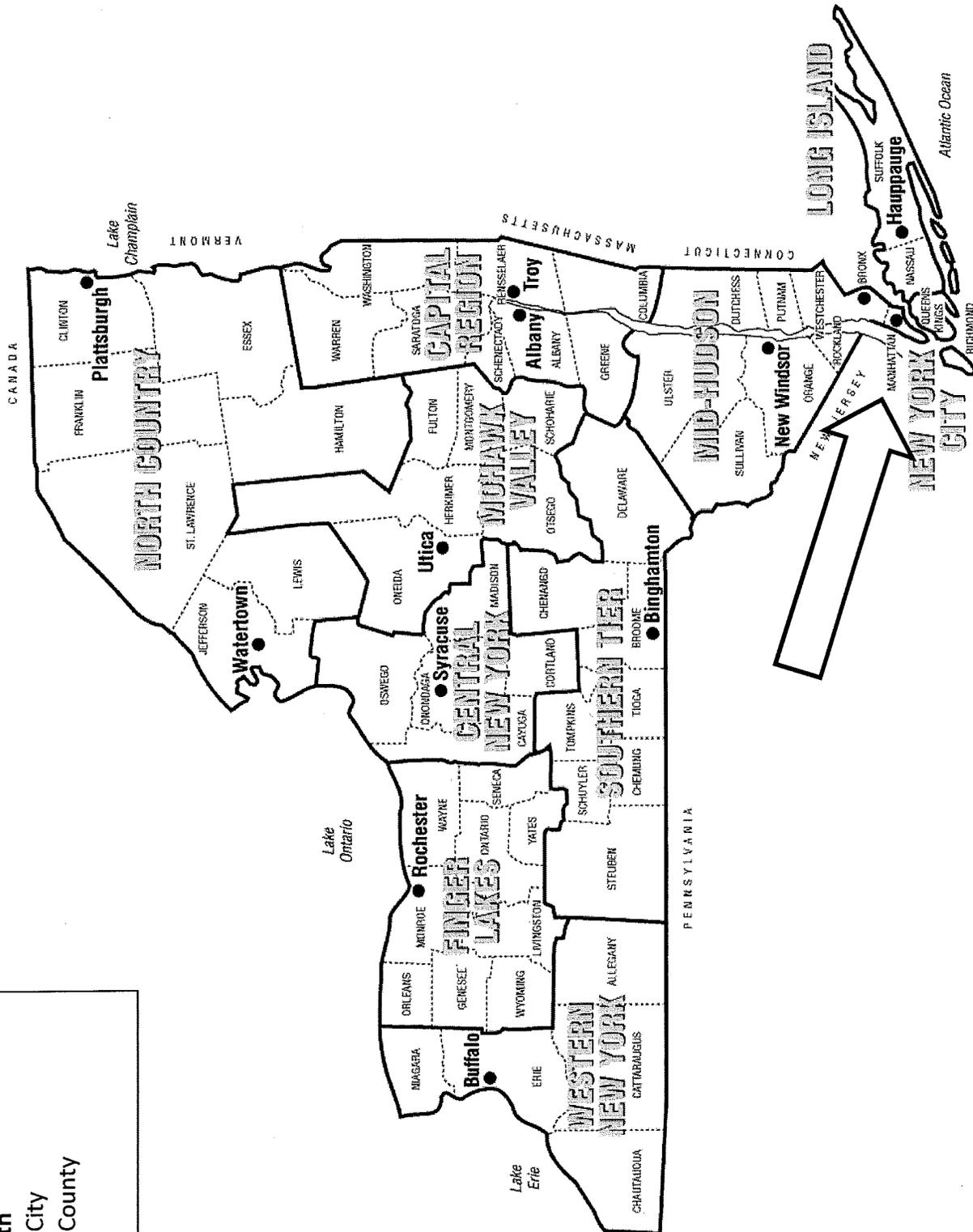
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

\* \* \*

**MediaMath**  
New York City  
New York County





FOR CONSIDERATION

July 16, 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: Affirmation of the Directors May 18, 2015 Findings and Determinations Pursuant to Section 10(g) of the Act; Affirmation of the General Project Plan

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I. Background

At their meeting on May 18, 2015, the ESD Directors made findings and determinations authorizing a \$4,432,672 grant to GCT New York LP (“GCT”) for a portion of the project cost of \$4,912,264 for dredging of approximately 1,200 feet at GCT’s Berth 3 to bring the depth to 50 feet, matching the already dredged contiguous Arthur Kill Federal Channel to 50 feet by the Army Corps of Engineers, in order for the GCT to handle post-Panamax container ships (the “Project”).

A public hearing for the Project was held at the New York Public Library Mariners Harbor Branch on Wednesday, June 10, 2015 from 4:45 to 5:45 p.m. to consider the General Project Plan (“GPP”). ESD arranged the public hearing in accordance with all statutory requirements and applicable ESD policy. Specifically, a legal notice was published in the *New York Post* on May 28, 2015. The GPP was available at the office of the Richmond County Clerk, the New York City Clerk of the Council and the principal office of the Corporation. A transcript of the hearing is attached herewith.

No one spoke at the public hearing. However, the day after the public hearing, ESD received a letter from the North Shore Waterfront Conservancy of Staten Island, Inc. (“NSWC”) with negative comments. These comments centered on the following issues: NSWC believes that further dredging and widening in this area would cause damage to the nearby Arlington Marsh wetland. In addition, NSWC believes that wakes from larger vessels attempting to dock near this wetland would cause destruction to this wetland. A copy of the letter sent by NSWC is included as an exhibit in the public hearing transcript.

## II. Negative Testimony and ESD Response

**Impact of Further Dredging and Widening:** NSWC commented that they believe that further dredging and widening of this area would cause damage to the nearby Arlington Marsh wetland.

**Response:** The Global Container Terminal New York Dredging Project as part of the larger New York and New Jersey Harbor Deepening project underwent numerous studies and rigorous regulatory and public review processes that assessed potential environmental impacts and incorporated measures to avoid or mitigate significant adverse environmental impacts to the maximum extent practicable prior to receiving state and federal environmental permits. The environmental studies included but were not limited to the *New York and New Jersey Harbor Navigation Study Feasibility Report and Final Environmental Impact Statement*, completed in December 1999, an *Environmental Assessment ("EA") on the Consolidated Implementation of the New York and New Jersey Harbor Deepening Project*, completed in January 2004, and a 2006 EA for the Howland Hook Marine Terminal Dredging and Berth Deepening by the U.S. Army Corps of Engineers ("USACE") New York District in accordance with the National Environmental Policy Act ("NEPA"), as well as additional environmental review conducted by the New York State Department of Environmental Conservation pursuant to the State Environmental Quality Review Act ("SEQRA") for the dredging of Berth 3 at the Howland Hook Marine Terminal. The USACE, based on the 2006 EA, determined that the project will have no effect on wetlands. The state and federal permits allowed GCT NY to dredge Berth 3 to a depth consistent with the USACE's recent deepening of the Arthur Kill federal navigation channel, while also establishing specific conditions on dredging operations to ensure that the project was completed in a manner that was protective of natural resources. ESD staff consulted with staff at New York State Department of Environmental Conservation and the Port Authority of New York and New Jersey and ESD has been advised that the dredging of Berth 3, which was completed in January 2015, has not caused any noticeable impacts to the nearby Arlington Marsh. In addition, these agencies are unaware of any reports of damage to the nearby Arlington Marsh caused by the dredging of Berth 3.

**Impact of Wakes from Larger Vessels:** NSWC commented that they believe that the wakes from larger vessels attempting to dock would cause destruction to Arlington Marsh.

**Response:** The Kill Van Kull and Arthur Kill have historically been active, high volume navigation channels used extensively by large container ships, tugs, barges, and other maritime vessels serving port terminals in New York and New Jersey. It is worth noting that the Sandy Hook Pilots Association provides pilotage services to all container ships that enter New York Harbor. This pilotage service ensures that container ships in New York Harbor are piloted safely and within appropriate speeds. GCT's Berth 3 is located on the Arthur Kill and wakes generated from vessel docking at the Berth have no significant impact to Arlington Marsh on the Kill Van Kull.

### III. Summary

After review and consideration of comments received at the public hearing, ESD staff believes that the Global Container Terminal New York Dredging Project is an important part of the local revitalization plan for the area, that the concerns raised at the during the public hearing period have been adequately addressed, and the project is expected to have a positive impact on the community.

### IV. Requested Action

The Directors are requested to affirm the findings and determinations related to the Project, made pursuant to the New York State Urban Development Corporation Act, and to affirm the General Project Plan.

### V. Additional Submissions to Directors

Resolution

ESD Directors' Materials dated May 18, 2015

Transcript of the Public Hearing, dated June 10, 2015

Letter from North Shore Waterfront Conservancy of Staten Island, Inc., dated June 11, 2015

July 16, 2015

Staten Island (New York City Region – Richmond County) – Global Container Terminal  
New York Dredging Capital – New York Works Program (Capital Grant) – Affirmation of  
the Directors' May 18, 2015 Findings and Determinations Pursuant to Section 10(g) of  
the Act; Affirmation of the General Project Plan

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WHEREAS, as part of the public hearing held on the Plan ESD received negative comments from one interested party regarding environmental impacts of the Project; and

WHEREAS, ESD staff has addressed the negative comments as set forth in the attached materials; and it is hereby

RESOLVED, that on the basis of such 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 – 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 ESD staff has adequately addressed the negative testimony presented as part of the hearing process and the Corporation hereby affirms such Plan shall be effective at the conclusion of such hearing; 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 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 or such other funding source as may be available to the Corporation for which the Plan is eligible, 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

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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:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
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

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EMPIRE STATE DEVELOPMENT CORPORATION

**COPY**

PUBLIC HEARING:

RE: The Global Container Terminal  
New York Dredging Capital Project

-----x  
New York Public Library  
Mariners Harbor Branch  
Community Room  
206 South Avenue  
Staten Island, New York

June 10, 2015  
4:46 P.M.

B E F O R E:

MICHAEL C. FORTH, ESQ.,  
THE HEARING OFFICER

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A P P E A R A N C E S:

For Empire State Development Corporation

Brendan Healey ..... 6

ALSO PRESENT:

Anthony Roselle

Marc Russo,  
Reporter

P R O C E E D I N G S

THE HEARING OFFICER: Good  
afternoon, ladies and gentlemen.

My name is Michael Forth and I'm  
an attorney duly admitted to practice law in the  
State of New York.

I have been asked by the New York  
State Urban Development Corporation, doing business  
as Empire State Development, ESD, to conduct  
today's public hearing pursuant to Section 16 of  
the New York State Urban Development Corporation  
Act.

This hearing is being held  
pursuant to a public notice published in accordance  
with the UDC Act in the May 28, 2015 edition of the  
New York Post.

The purpose of this hearing is to  
afford the general public an opportunity to make  
statements and comments about ESD's General Project  
Plan for the proposed Global Container Terminal New  
York Dredging Capital Project.

The hearing will remain open for a  
period of not less than one hour or until all  
members of the public who are present at the

1

2 hearing have been given an opportunity to make  
3 statements or comments on the proposed project.

4

5 This is not a question and answer  
6 session. A stenographic transcript of this hearing  
7 is being made. Comments presented at this hearing  
8 will be taken into consideration by ESD as part of  
9 the final approval of the proposed project.

9

10 First, Mr. Brendan Healey will  
11 present information about the project on behalf of  
12 ESD. Then I will recognize anyone else who wishes  
13 to make a comment about the project.

13

14 If you wish to speak at today's  
15 hearing, please sign the register.

15

16 Copies of ESD's General Project  
17 Plan for the proposed project are available for  
18 your information and convenience.

18

19 In order to give everyone an ample  
20 opportunity to speak, I request that speakers keep  
21 their oral presentations to no more than five  
22 minutes. Speakers representing organizations with  
23 a substantial number of members are asked to  
24 register and identify themselves as such and  
25 depending on the number of speakers wishing to be  
heard, may be afforded up to ten minutes for their

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**MGR REPORTING, INC., 516-542-2020**

*419 Lafayette Street, 2nd Floor, New York, New York 10003  
626 RXX Plaza, West Tower, 6th Floor, Uniondale, New York 11556*

1

2 presentation.

3

4 In order to ensure an accurate  
5 transcript and to enable all assembled to hear your  
6 remarks, I ask each speaker when called to come to  
7 the front of the room. Please state your name and  
8 address. If you are appearing as a representative  
9 of an organization or governmental entity, please  
10 identify the organization or entity and state its  
11 address.

11

12 Finally, I want to remind you that  
13 the purpose of this hearing is to afford you an  
14 opportunity to make comments about the ESD General  
15 Project Plan for the proposed project. Again, this  
16 is not a question and answer session.

16

17 Now I'd like to take care of some  
18 administrative matters by asking the stenographer  
19 to mark the following exhibits -- I'm sorry, the  
20 following documents as Exhibits to the hearing  
21 transcript.

21

22 Exhibit No. 1 is the Public Notice  
23 that appeared in the New York Post on May 28, 2015.

23

24 (Public Notice appearing in the  
25 New York Post dated May 28, 2015 was marked as  
Hearing Exhibit No. 1.)

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THE HEARING OFFICER: Exhibit No. 2 is the Affidavit of Publication of the public notice that appeared in the New York Post on May 28, 2015.

(Affidavit of Publication of the public notice appearing in the New York Post dated May 28, 2015 was marked as Hearing Exhibit No. 2.)

THE HEARING OFFICER: And Exhibit No. 3 is the document entitled: "Empire State Development Global Container Terminal New York Dredging Capital Project - General Project Plan" dated May 18th, 2015.

("Empire State Development Global Container Terminal New York Dredging Capital Project - General Project Plan" dated May 18th, 2015 was marked as Hearing Exhibit No. 3.)

THE HEARING OFFICER: Okay.

Now I would ask that Mr. Healey come forward and give his presentation.

MR. HEALEY: Good afternoon.

My name is Brendan Healey. I'm Assistant Vice President at ESD. And I'm here today to present a brief summary of the project.

The project involves the dredging

2 of approximately 1,200 feet at Berth 3 grade to  
3 bring the depth to 50 feet in order to allow GCT  
4 New York LP to handle larger container ships at 300  
5 Western Avenue, Staten Island.

6 GCT New York operates the largest  
7 full-service container and general cargo handling  
8 facility in New York State. The company leases its  
9 approximately 153-acre site, which is on the north  
10 shore of Staten Island from the Port Authority of  
11 New York and New Jersey.

12 While New York Harbor is a superb  
13 natural harbor, sheltering vessels from the  
14 elements, it is naturally only 20 feet deep.  
15 Today's massive container ships, including those  
16 that have been built already in anticipation of the  
17 ongoing Panama Canal expansion, require depths of  
18 50 feet, making dredging vital.

19 The project entailed the dredging  
20 of Berth 3 of the facility, which involves drilling  
21 along the existing pier face and blasting of rock  
22 ledges. The project is extremely important in  
23 order to ensure that this facility continues to be  
24 a viable shipping option.

25 The total project cost is expected

2 to be approximately \$4,912,264. ESD proposes to  
3 make a \$4,432,672 grant to GTC New York LP to  
4 assist in the financing of the project. The  
5 remainder of the project costs will be contributed  
6 by the Port Authority of New York and New Jersey.

7 Thank you.

8 THE HEARING OFFICER: Thank you,  
9 Mr. Healey.

10 I would now like to ask the first  
11 speaker to approach the front of the room.

12 Is there anyone present who would  
13 like to make a statement regarding the project?

14 (No response.)

15 THE HEARING OFFICER: We will hold  
16 the hearing open until 5:45 p.m. in order to afford  
17 any latecomers an opportunity to make a statement.

18 At this time, I will call for a  
19 recess in these proceedings until such time as  
20 someone requests an opportunity to make a  
21 statement.

22 The time is now 4:53 p.m.

23 Again, at any time during this  
24 recess, those assembled here may request an  
25 opportunity to make statements.

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Thank you very much.

(At 4:53 p.m., the hearing was temporarily recessed.)

(At 5:45 p.m., the hearing resumed.)

THE HEARING OFFICER: Okay.

The time is now 5:45 p.m.

This hearing has been held open since 4:45 p.m. to allow for public comment on the proposed project.

Before we close the hearing, is there anyone here who would like to make a statement regarding the project?

(No response.)

THE HEARING OFFICER: The time is now 5:46 p.m.

This hearing is now concluded.

I thank you all for attending.

(At 5:46 p.m., the proceedings were concluded.)

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I N D E X

<u>Exhibit No.</u>		<u>PAGE</u>
	DESCRIPTION	
1	Public notice appearing in The New York Post dated May 28, 2015 .....	5
2	Affidavit of Publication of public notice that appeared in the New York Post dated May 28, 2015 .....	6
3	Document entitled: Empire State Development Global Container Terminal New York Dredging Capital Project - General Project Plan dated May 18, 2015 .....	6

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STATE OF NEW YORK )  
SS.  
COUNTY OF NEW YORK )

I, MARC RUSSO, a Shorthand  
(Stenotype) Reporter and Notary Public within and  
for the State of New York, do hereby certify that  
the foregoing pages 1 through 11, taken at the time  
and place aforesaid, is a true and correct  
transcription of my shorthand notes.

IN WITNESS WHEREOF, I have  
hereunto set my name this 18th day of June, 2015.

*Marc Russo*

-----  
MARC RUSSO



The North Shore Waterfront Conservancy of Staten Island, Inc.  
P.O. Box 140502  
Staten Island, New York 10314

June 11, 2015

Ms. Genevieve Carr  
Program Coordinator/Loans & Grants  
Empire State Development  
633 Third Avenue, 34<sup>th</sup> Floor,  
New York, NY. 10017

Dear Ms. Carr:

On behalf of the North Shore Waterfront Conservancy of Staten Island, Inc., (NSWC or NSWCSI) and the environmental justice and waterfront communities on Staten Island's North Shore that we advocate on behalf of.

We are opposed to the third berth at New York Container Terminal being deepened for the purposes of allowing Panamax vessels to enter into this port. We believe that further dredging and widen in this area would cause damage to the fragile 80 acre tidal wetland Arlington Marsh and its cove that is in close proximity to New York Container Terminal's berths.

We also believe that the wakes from larger vessels attempting to dock near this wetland would also cause destruction of this tidal wetland by undermining its stability. We expressed our concerns to the U.S. Army Corp of Engineers and the U.S. Environmental Protection Agency in an email dated May 31, 2015 and we were hoping for a response from them preferably before your hearing that was held yesterday.

With that being said we reminded both agencies of a conversation we had some 5 years ago regarding New York Container Terminal when they wanted to build a fourth berth for the Panamax vessel. And the U.S. Environmental Protection Agency, and the Army Corp of Engineers told them that the Panamax vessels were too large to fit in this area of the Kill Van Kull, Lower Newark Bay and the Arthur Kill because these vessels cannot turn around in this waters because Shooters Island is in the way. If a Panamax vessel

couldn't turn around in this area with a fourth berth, then it would not be able to turn around in these same waters from a third berth for the very same reasons.

Once again we are opposed to the third berth deepening, as we believe it will jeopardize Arlington Marsh and its cove, and in destroying this tidal wetland it will also jeopardize the environmental justice community of Arlington and the 4,000 plus residents that near this very essential tidal wetland. That is providing them with protection from Climate Change's sea level rising, storm surges and flooding.

Thank you for your time and we look forward to your response regarding this very serious Climate Change matter.

Sincerely,



Beryl A. Thurman, Executive Director/President  
NSWC

SAVE ALL OF ARLINGTON MARSH AND ITS COVE!!!

CC: Mayor William deBlasio, Governor Andrew Cuomo, Senator Kristin Gillibrand, Borough President James Oddo, Council member Debi Rose, Councilman Steve Matteo, Senator Diane Savino, Assemblyman Michael Cusick, Assemblyman Mathew Titone, Senator Andrew Lanza, Assembly woman Nicole Malliotakis, Assemblyman Joseph Borrelli, Andrew Gem, NYCEDC, Venetia Lannon, NYSDEC, Judith Enck, U.S. EPA, Allen Roos, U.S. Army Corp of Engineers, Col. Paul Owen, U.S. Army Corp of Engineers, Debbie Mans, NY/NJ Baykeeper, Paul Gallay, Riverkeeper, Rob Pirani, Hudson River Foundation, NSWC, Protector of Pine Oaks Woods, Sara Imperiale, NRDC, Ida Sanoff, NRPA, Dee Vandenburg, SITA, and any other interested parties.



FOR CONSIDERATION

July 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Statewide – Restore New York Communities – Capital Grant

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

General Project Plan

I. Project Summary

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	City of Niagara Falls	Niagara Falls – RESTORE III – Niagara City Lofts	W805	\$5,000,000	Niagara Falls	Niagara
		<b>TOTAL</b>		<b>\$5,000,000</b>		

II. Program Description

A. Background

In the 2006-07 and 2007-08 enacted New York State Budgets, ESD received a \$300 million appropriation for the Restore New York’s Communities initiative (“Restore NY” or the “Program”), which was allocated as follows: up to \$50 million in FY 06-07, \$100 million in FY 07-08, and \$150 million in FY 08-09. The purpose of the Program is to revitalize urban areas and stabilize neighborhoods as a means to attract residents and businesses. Restore NY funds municipally sponsored projects for the demolition, deconstruction, rehabilitation, or reconstruction of vacant, obsolete or surplus structures.

On October 27, 2006, the successful Restore NY Round 1 award winners were announced, and

included 79 different projects in 55 localities. The range of selected projects is large and diverse; and to the extent possible, funding was awarded in a geographically proportionate manner.

Special consideration was given to projects located in Brownfield Opportunity Areas and Empire Zones; those affected by flooding in June 2006; and communities with severe economic distress or dislocation.

The 64 Restore NY Round 2 award winners were announced on January 15, 2008. Projects were chosen with the intent of connecting community initiatives with economic development goals to serve as catalysts for future development and growth. Priority was given to those projects that would serve to revitalize urban cores, leverage private investment and bring future business expansion to New York's communities.

On September 2, 2009, Governor David A. Paterson announced the award of 79 projects for Restore NY Round 3. These projects span across the New York State in 74 localities as part of the continued effort to revitalize urban areas, stabilize neighborhoods and invite renewed investment in economically distressed communities.

#### B. The Project

ESD will make a grant to the Grantee for the purpose of enhancing the Grantee's capacity to provide support in revitalizing urban areas and stabilizing neighborhoods as a means to attract residents and businesses in New York State. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed.

The attached project schedule provides a more detailed description of the recommended project.

#### III. Statutory Basis

Restore New York Communities Findings:  
Land Use Improvement Project

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.  
See attached Project Schedule.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.  
See attached Project Schedule.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.  
See attached Project Schedule.
4. There are no families or individuals displaced from the Project area.  
No residential relocation is required because there are no families or individuals residing on the site.

#### IV. Environmental Review

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

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

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policies will apply to the project.

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

#### VI. ESD Employment Enforcement Policy

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

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

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

**VIII. Additional Submissions to Directors**

**Resolutions**  
**New York State Map**  
**Project Summary**

July 16, 2015

Statewide – Restore NY Communities – Capital Grant – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10 (g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Restore NY Communities Capital Grant Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-n and 10 of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
4. There are no families or individuals displaced from the Project area; and be it further

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

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

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

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

Restore NY Communities – Project Summary Table

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	City of Niagara Falls	Niagara Falls – RESTORE III – Niagara City Lofts	W805	\$5,000,000	Niagara Falls	Niagara
		<b>TOTAL</b>		<b>\$5,000,000</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.

\* \* \*





## A. Niagara Falls – RESTORE III – Niagara City Lofts (W805)

July 16, 2015

### General Project Plan

- Grantee:** City of Niagara Falls (the “City”)
- Beneficiary:** CB-Emmanuel Realty, LLC (“CB-Emmanuel”) or an affiliate to be established
- ESD Investment:** A grant of up to \$5 million to be used for a portion of building renovation costs.
- Project Location:** 561 Portage Road, Niagara Falls, Niagara County
- Proposed Project:** Renovation of the former South Junior High School (the “Junior High School”) into the Niagara City Lofts (the “Lofts”).
- Project Type:** Rehabilitation of a vacant property to revitalize a City neighborhood.
- Regional Council:** All RESTORE III awards were announced by 2009, predating the Regional Economic Development Council (“REDC”) initiative. The Western New York (“WNY”) REDC has been made aware of this item. The project is consistent with the Regional Plan as it implements smart growth by investing in inner-city neighborhoods.

### **Background:**

Grantee History - The City, which was established in 1892 by the merging of the Village of Niagara Falls and the Village of Suspension Bridge, is located directly adjacent to Niagara Falls (the “Falls”) the collective name of three iconic waterfalls that straddle the international border between Canada and the United States on the Niagara River. From the early to mid-20<sup>th</sup> century, the City transformed from a small tourist village into a major hub of heavy industry, including paper, rubber, plastics, petrochemicals and abrasives factories, which harnessed the power of the Falls’ rushing water to provide hydroelectric power to local businesses. Although the geological wonder of the Falls is one of the Country’s most popular tourist attractions, the rise of worldwide markets during the past 30 years has resulted in the decline of the City’s industrial base, leaving it socially and economically distressed. Many families relocated out of the City to find employment, reducing the City’s population by 50%, while many others who remain have fallen below the poverty level. This economic downturn led to a 22% vacant housing rate and 39% of the population earning no more than \$25,000 annually. Much of the vacant housing was privately-owned and now uninhabitable. If a municipality’s population falls below 50,000, it risks being reclassified by federal government standards as a town, resulting in the loss of some types of federal funding.

## Niagara Falls – RESTORE III – Niagara City Lofts (W805)

July 16, 2015

In 2009, the Grantee adopted the Comprehensive Plan (the “Plan”) for the City of Niagara Falls, which proposed strategies to revitalize the City. One of the Plan’s strategies called for the City’s collaboration with the City’s school district Board of Education (the “School District”) to develop a reuse strategy for the long vacant Junior High School, constructed in the early 1920’s and closed in 1985, due to the decline of school-age population as a result of the exodus of City residents.

Beneficiary History - CB-Emmanuel, established in 2005, is a Queens-New York City, based developer specializing in the development and management of low-income housing. The Beneficiary, which began with small projects secured from the New York City Department of Housing Preservation and Development, has been instrumental in the development of over 700 units of housing primarily in Brooklyn and the Bronx including the construction of 92 new apartments at Atlantic Commons (Brownsville, Brooklyn); the acquisition and rehabilitation of 290 apartments from the New York City Housing Authority; and Livonia Terrace which involved the rehabilitation of 171 apartments in Brooklyn, NY. One of the Beneficiary principals, Benathan Upshaw, is a native of Buffalo.

ESD Involvement – In 2009, the City received a \$5 million RESTORE III award to assist with the renovation of the Junior High School. In August 2010, the City issued a Request for Proposal but was unable to identify a qualified developer until 2013, when CB-Emmanuel expressed an interest in a home-town revitalization project. CB-Emmanuel, after significant delays, recently secured adequate financing and is ready to begin the transformation of the large, vacant eyesore into a mixed-use structure. The preliminary market analysis confirms the need for additional decent housing in the City with an occupancy rate for comparable units of 95% and an estimated capture rate under 10%. By partnering with an active and mobilized community, the RESTORE NY funding for this rehabilitation initiative has the greatest opportunity for succeeding initially and for assisting this community in sustaining healthy neighborhoods by leveraging a variety of public and private resources.

Past ESD Support – Since 2001, ESD Directors have approved \$350,000 in financial support for the City.

### **The Project:**

Completion – February 2018

Activity – The \$18.6 million design-build project involves partial demolition, stabilization, rehabilitation, reconstruction and preservation of the approximate 109,000-square-foot, three-story, concrete frame and brick-clad former Junior High School which has been plagued by neglect over its nearly 30-year vacancy, into the Lofts, a mixed-use facility. The Junior High School, which is listed on the National Register of Historic Places, will undergo

## Niagara Falls – RESTORE III – Niagara City Lofts (W805)

July 16, 2015

green construction techniques to reduce long-term operating costs including energy-efficient and low-water consumption appliances, fixtures and HVAC system, as well as added features including an elevator to improve accessibility, air conditioning and secured entrances. CB-Emmanuel is expected to purchase the Junior High School from the School District this fall after which it will begin the process of converting the historic structure into 61 residential units and approximately 19,000-square-feet of commercial/community space, including a renovated auditorium, natatorium and boy's gym open to lease. The Beneficiary currently has site control and has conducted preliminary stabilization and roof repairs, as well as completed architectural drawings and environmental testing.

CB-Emmanuel will execute a 15-year Master Lease for the commercial space and sublease the space to potential tenants with an annual base rent estimated to be \$51,980. The commercial tenancies will be under triple-net leases. The Beneficiary has been in discussions with various physicians of Niagara Falls Memorial Hospital as well as self-storage operators to occupy the space.

Results – The Lofts will provide a mixed-use facility offering modern studio, one and two-bedroom apartments in a historic neighborhood in close proximity to the downtown Niagara Falls core, including the Niagara Falls Medical Center, the Niagara Arts & Cultural Center, the Seneca Niagara Casino, and walkable neighborhood retail centers and tourist attractions. 51 units will be reserved for households earning between 48% - 60% of the Area Median Income and such incomes would equate to the achievable monthly rents ranging from \$475 to \$725, dependent on the number of bedrooms; ten of these apartments will be designated for residents with physical disabilities. The Lofts will have a preference for 50% of the units for veterans or persons from substandard housing. Ten market-rate apartments will also be offered with rents ranging from \$7-- to \$800/month. The Lofts' amenities will include a rental office, community room with computer lab, common laundry, tenant storage, and an estimated 133-space repaved parking lot.

The project will not only increase affordable housing stock, but will place a non-taxable community eyesore onto the tax rolls, relieve the School District from continued public and general liability, while also promoting smart growth. The project will encourage neighbors to invest in their own properties, increasing housing values, reducing blight, and laying the foundation for market stability and improved quality of life. Restore NY funds are critical to the success of this project.

**Niagara Falls – RESTORE III – Niagara City Lofts (W805)**

July 16, 2015

Financing Uses	Amount	Financing Sources	Amount	Percent
Design & Construction	\$18,603,225	ESD Grant	\$ 5,000,000	27%
		Housing Trust Fund Loan*	5,703,445	31%
		NYSERDA Grant	152,500	1%
		Deferred Development Fee	571,831	3%
		Grantee Equity**	7,175,449	39%
<b>Total Project Costs</b>	<b>\$18,603,225</b>	<b>Total Project Financing</b>	<b>\$ 18,603,225</b>	<b>100%</b>

\*Terms: 1%/30yrs/1<sup>st</sup> on RE

\*\*Source of Equity is RBC Capital Markets (or equivalent), the tax credit investor member/syndicator.

**Grantee Contact:** Mr. Thomas J. DeSantis, Senior Planner  
745 Main Street  
Niagara Falls, New York 14302-0069  
Phone: (716) 286-4477

**Beneficiary Contact:** Mr. Benathan Upshaw, Principal  
221-10 Jamaica Avenue, Suite 301  
Queens Village, New York 11428  
Phone: (347) 534-3235

**Project Team:**

Project Management	Jean Williams
Contractor & Supplier Diversity	Geraldine Ford
Design & Construction	Dennis Conroy
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The City will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$5 million will be disbursed to the Grantee during the course of the project no more frequently than monthly, in compliance with ESD's Design and Construction requirements, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed to the Grantee upon completion of the project as evidenced by a Certificate of Occupancy. Payment will be made upon

## Niagara Falls – RESTORE III – Niagara City Lofts (W805)

July 16, 2015

presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after May 4, 2009, to be considered reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5 million for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City 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. If the Grantee is not the owner of the Project, then the Grantee shall prohibit, for five years from the date of the initial disbursement of Grant funds, any transfer of the Project in whole or in part, by sale, lease, or conveyance of any interest in or with respect to the Project except (a) transfers of minor interests in the Project site, such as utility easements and limited rights-of-way, and (b)(i) the arms-length basis sale or lease of individual condominium units in the ordinary course of business for a condominium development and (ii) the arms-length basis residential or commercial lease in the ordinary course of business for a commercial, residential, or mixed-use rental development. In the event that such a prohibited transfer occurs within such five-year period, the Grantee shall pay to ESD, promptly upon ESD's written demand therefor, the applicable amount indicated below.

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.

## Niagara Falls – RESTORE III – Niagara City Lofts (W805)

July 16, 2015

### **Design and Construction:**

Design & Construction staff will review project plans, scope, budget and schedule. D&C will visit the site at its option, review requisitions and recommend payment when its requirements have been met.

### **Environmental Review:**

The City of Niagara Falls Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 4, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the building's eligibility for listing in 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 ("OPRHP") pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed with OPRHP in accordance with a Letter of Understanding.

### **Non-Discrimination and Contract & Supplier Diversity:**

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 35%. The overall goal shall include a Minority Business Enterprise Participation Goal of 20% and a Women Business Enterprise Participation Goal of 15% related to the total value of ESD's funding.

### **Statutory Basis – Restore NY Communities:**

#### Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.

The project is located in a blighted neighborhood and involves the rehabilitation of the vacant, historic, 109,000-square-foot former Junior High School.

**Niagara Falls – RESTORE III – Niagara City Lofts (W805)**

July 16, 2015

2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

The project involves the rehabilitation or reconstruction of a vacant property that the City has included in its Comprehensive Plan to promote and sustain affordable housing and economic development.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

The City published a property assessment list and held a public hearing on the project at the time of application. The City will ensure compliance with all applicable local laws and regulations.

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

There are no families or individuals displaced from the Project area.

**Additional Submission to the Directors:**

Resolutions

Project Photographs

July 16, 2015

Niagara Falls (Western New York Region –Niagara County) – Niagara Falls – RESTORE III  
– Niagara City Lofts – RESTORE NY Communities 08-09 (Capital Grant) – Determination  
of No Significant Effect on the Environment

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RESOLVED, that based on the materials submitted to the Directors with respect to the Niagara City Lofts – RESTORE NY Communities 08-09 (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

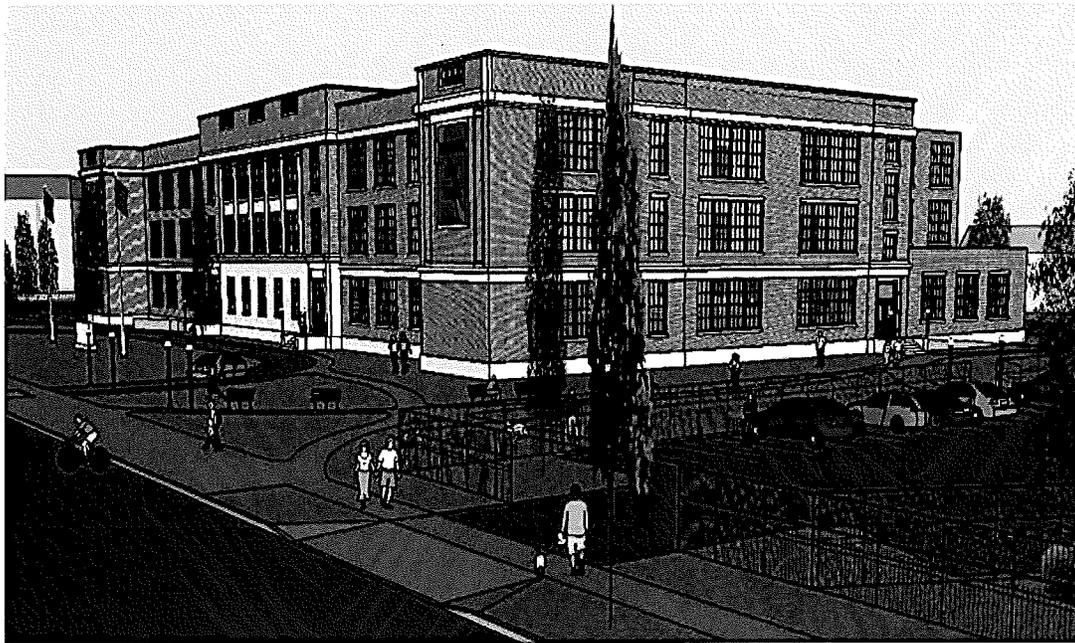
\* \* \*

Niagara Falls – RESTORE III – Niagara City Lofts, W805

Former South Junior High School



Rendering of Niagara Falls City Lofts





FOR CONSIDERATION

July 16, 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 Grants and to Take Related Actions

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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	Karp Capital	X435	Karp Associates, Inc.	\$100,000
B	Dunkirk Metal Products Capital	Z535	Dunkirk Metal Products, Inc.	\$100,000
	<b>Economic Development Purposes Fund</b>			
C	Long Island High Technology Incubator, Inc.	Z104	Stony Brook University Wyandanch Capital	\$45,000
			<b>TOTAL</b>	<b>\$245,000</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 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.

#### Attachments

Resolutions

New York State Map

Project Summaries

July 16, 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Empire State Economic Development Fund 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	Karp Capital	X435	Karp Associates, Inc.	\$100,000
B	Dunkirk Metal Products Capital	Z535	Dunkirk Metal Products, Inc.	\$100,000
			<b>TOTAL</b>	<b>\$200,000</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.

\* \* \*

July 16, 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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	Long Island High Technology Incubator, Inc.	Z104	Stony Brook University Wyandanch Capital	\$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. Karp Capital (X435)**

July 16, 2015

General Project Plan

- Grantee:** Karp Associates, Inc. ("Karp" or the "Company")
- ESD Investment:** A grant of up to \$100,000 to be used for a portion of the cost of building acquisition
- Project Location:** 260 Spagnoli Road, Melville, Suffolk County
- Proposed Project:** Acquisition and renovation of a 155,000-square-foot manufacturing and company headquarters, and purchase and installation of machinery and equipment
- Project Type:** Business improvement involving job retention
- Regional Council:** The Long Island Regional Council has been made aware of this item. The Incentive Proposal was accepted in February 2012, predating the Regional Council Initiative. The project is consistent with the Regional Plan to reinvigorate Long Island's manufacturing sector.
- Employment:**
- |   |     |
|---|-----|
| Initial employment at the time of ESD Incentive Proposal: | 110 |
| Current employment level:                                 | 128 |
| Minimum employment through January 1, 2018:               | 110 |

**Background:**

Industry – Karp manufactures metal access doors for the inspection, repair, or service of concealed systems, such as air-conditioning equipment.

Company History - Founded in 1956, Karp Associates, Inc. origins date back to 1925 when Karp Metal Products was founded in a small garage in Brooklyn, New York. The original plant in Maspeth was only 5,000 square feet. Expansions in 1958, 1963 and 1989 grew the plant to 32,000 square feet. In 2012, Karp moved to a 150,000-square-foot, state-of-the-art facility in Melville, NY.

During the late fifties and early sixties, the manufacture and sale of access doors was a "job shop" effort. In the late sixties Karp recognized the need to automate and expand the production of access doors for more diverse applications. More than 50 years after that decision was made, Karp Associates is leading the manufacturer and distributor of access doors in the world.

Ownership – Privately owned

## Karp Capital (X435)

July 16, 2015

Size - All facilities located in Melville, NY.

Market – The Company mainly serves the construction industry

ESD Involvement – In early 2011, Karp recognized a need to move into a larger facility to accommodate increased production and improve efficiency and automation. The Company sought to redesign its environment with advanced robotic, laser and paint technologies. Karp's original plant, located in Maspeth was only 5,000 square feet. In April 2011, Karp identified a 155,000-square-foot building that it planned to purchase and renovate to serve its needs.

The Company encountered a funding gap in its budget and sought ESD's assistance. In June 2011, ESD made the Company an offer of funding assistance from the Empire State Economic Development Fund which the Company accepted in February 2012. Without ESD's award, the project could not have gone forward.

The incentive proposal also includes an incentive for up to \$345,000 of Excelsior Job Program Credits.

Competition - The Company had considered relocating its headquarters to Pennsylvania or North Carolina.

Past ESD Support - This is the Company's first project with ESD in the past five years.

### The Project:

Completion – February 2014

Activity – The Company purchased and renovated a 155,000-square-foot building. Karp also purchased and installed new machinery and equipment to improve its manufacturing of access doors. The Company moved into the building in February 2014.

Results – Retain 110 jobs. The Company currently employs 128 people.

Financing Uses	Amount	Financing Sources	Amount	Percent
Real Estate Acquisition	7,000,000	ESD Grant	\$100,000	1%
Renovation	2,550,000	Company Equity	16,450,000	99%
Machinery & Equipment	7,000,000			
Total Project Costs	\$16,550,000	Total Project Financing	\$16,550,000	100%

**Karp Capital (X435)**

July 16, 2015

Grantee Contact - Susan Zachry, Chief Financial Officer  
260 Spagnoli Road  
Melville, NY 11747-3505  
Phone: (631) 768-8300

<u>Project Team</u> -	Origination	Barry Greenspan
	Project Management	Simone Bethune
	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 \$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) will be disbursed upon documentation upon completion of the project substantially as

**Karp Capital (X435)**

July 16, 2015

- described in these materials, purchase of a building and submission of documentation verifying project costs totaling \$16,550,000, and documentation of the employment of at least 110 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of 25% of an amount equal to the grant (\$25,000) will be disbursed no sooner than 12 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 110 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$25,000) will be disbursed no sooner than 24 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 110 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after February 15, 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 \$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;

**Karp Capital (X435)**

July 16, 2015

- (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		110
A	B	
Date	Employment Goals	
February 1, 2016	110	
February 1, 2017	110	
February 1, 2018	110	

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 50%. The overall goal shall include a Minority Business Enterprise Participation Goal of 40% and a Women Business Enterprise Participation Goal of 10%, related to the total value of ESD's funding.

**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 110, including retention of 110 jobs which were at risk of relocation to Pennsylvania or North Carolina.
2. The project would be unlikely to take place in New York State without the requested assistance.  
The Company considered relocating its operations to Pennsylvania or North Carolina.

**Karp Capital (X435)**

July 16, 2015

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 \$3,021,075, which exceed the cost to the State.

4. The requirements of Section 10(g) of the Act are satisfied.  
See cover memo.

## B. Dunkirk Metal Products Capital (Z535)

July 16, 2015

### General Project Plan

<b>Grantee:</b>	Dunkirk Metal Products of WNY, LLC (“DMP” or the “Company”)
<b>ESD Investment:</b>	A grant of up to \$100,000 to be used as reimbursement for a portion of new machinery and equipment costs.
<b>Project Location:</b>	3575 Chadwick Drive, Sheridan, Chautauqua County
<b>Proposed Project:</b>	Acquisition and installation of new machinery and equipment to maintain and expand capacity and efficiency.
<b>Project Type:</b>	Business investment involving job retention and job creation.
<b>Regional Council:</b>	The Western New York Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in November 2014. The project is consistent with the Regional Plan as it retains and creates manufacturing jobs for a diverse local population.
<b>Employment:</b>	Initial employment at time of ESD Incentive Proposal: 23 Current employment level: 31 Minimum employment on January 1, 2019: 28

### **Background:**

Industry – DMP is a metal stamping and full-service fabrication company including custom laser cutting, producing items made from cold rolled steel, stainless steel and aluminum.

Company History – Formed in 1946, the Company originally designed and produced stamped metal products for the automobile, furniture, and tool industries from its Dunkirk location. In 2012, the Company’s management team acquired DMP after a four-year economic downturn placed it in danger of closure or foreign acquisition. In 2013, DMP relocated and consolidated its Dunkirk and Brocton operations to a 40,000-square-foot facility in Sheridan.

Ownership – The Company is locally and privately owned.

Size – The Company has one facility, located in Sheridan, NY.

Market – DMP serves the transportation, locomotive, medical, drainage, and gas and oil and HVAC industries. Major customers include companies located in Erie, PA and

## Dunkirk Metal Products Capital (Z535)

July 16, 2015

Falconer, NY with competitors including Jamestown Advanced Products, Inc. (Jamestown, NY), Chase Manufacturing Company (Corry, PA), and Phoenix Metal Fabricating, Inc. (Jamestown, NY).

ESD Involvement – In 2014, the Company notified ESD of its need to upgrade its neglected existing machinery and equipment. The purchase of new machinery and equipment would allow the Company to maintain and expand operations and remain competitive however it lacked the financial resources to complete the capital investment. ESD made the company an offer of \$100,000 in November 2014 which the Company accepted in the same month. Without ESD assistance, the Company would not have been able to remain competitive, resulting in the possible facility closure in an area that has seen significant job loss since 2008.

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

### The Project:

Completion – 2019

Activity – The \$851,500 project involves a multiple-year plan to renew and upgrade certain older existing stamping and various other machinery and equipment and purchase of new machinery and equipment including a brake press, electronic safety curtains, and laser cutter. The Company will also add a new welding area ventilation system and make shipping area improvements necessary to expand product offerings and remain globally competitive.

Results – The project will retain 23 existing jobs and create 5 new jobs by January 1, 2019; the Company has already employs 31 individuals. In-house laser-cutting, which was previously out-sourced, will allow DMP to expand its services and enter a previously untapped market in Chautauqua County. The Company has already expanded to two work shifts, doubling its manufacturing capacity.

Financing Uses	Amount	Financing Sources	Amount	Percent
Machinery & Equipment	\$851,500	ESD Grant	\$100,000	12%
		Cattaraugus County Bank Loan*	600,000	70%
		Company Equity	151,500	18%
Total Project Costs	\$851,500	Total Project Financing	\$851,500	100%

5.29%/84 months/1<sup>st</sup> of M&E

**Dunkirk Metal Products Capital (Z535)**

July 16, 2015

Grantee Contact - Mr. Jean Gaulin, Member  
3575 Chadwick Drive  
Sheridan, NY 14048  
Phone: (716) 998-7586

<u>Project Team</u> -	Origination	Diego Sirianni
	Project Management	Cheryl Krazmien
	Contractor & Supplier Diversity	Geraldine Ford
	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) will be disbursed upon documentation of new machinery and equipment project costs of

**Dunkirk Metal Products Capital (Z535)**

July 16, 2015

- approximately \$400,000 and documentation of the employment of at least 23 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 additional new machinery and equipment project costs of at least \$250,000 (cumulative total of \$650,000) and upon documentation of the employment of at least 26 Full-time Permanent Employees at the Project Location (Employment Increment of 3), 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 additional new machinery and equipment project costs of at least \$200,000 (cumulative total of \$850,000) and upon documentation of the employment of at least 28 Full-time Permanent Employees at the Project Location (Employment Increment of 2), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after November 26, 2014 to be considered eligible project costs. All disbursements must be requested by April 1, 2020.

- 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;

**Dunkirk Metal Products Capital (Z535)**

July 16, 2015

- (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	23
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2016	23+X+Y
February 1, 2017	23+X+Y
February 1, 2018	23+X+Y
February 1, 2019	23+X+Y
February 1, 2020	23+X+Y
February 1, 2021	23+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=3, and Employment Goals shall equal [23 + X = 26] 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=2, and Employment Goals shall equal [23 + X + Y = 28] 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.

## Dunkirk Metal Products Capital (Z535)

July 16, 2015

### **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.

### **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, goals will not be established due to the unavailability of certified MWBs for performance of this Contract.

### **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 23 and create 5 new jobs by January 1, 2019.
2. The project would be unlikely to take place in New York State without the requested assistance.  
Without ESD assistance, the Company would not have the financial resources to complete the capital investment resulting in a possible closure of the manufacturing facility in the coming years as it could not remain competitive in the global marketplace.
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 \$805,985, which exceed the cost to the State.
4. The requirements of Section 10(g) of the Act are satisfied.  
See cover memo.

## C. Stony Brook University Wyandanch Capital (Z104)

July 16, 2015

### General Project Plan

- Grantee:** Long Island High Technology Incubator, Inc. ("LIHTI" or the "Incubator")
- ESD Investment:** A grant of up to \$45,000 to be used for a portion of the cost of program development
- Project Location:** Greater Wyandanch Area, Wyandanch, NY, Suffolk County
- Proposed Project:** The project will create proactive economic development strategies critical to revitalizing the distressed community of Wyandanch by identifying and assessing the available labor market and the need for employees with key skills required to address this need.
- Project Type:** Working Capital
- 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.

### **Background:**

#### Industry – Economic development

Organization History - LIHTI is a non-profit organization dedicated to helping new technologically-innovative companies grow by providing them with a variety of support resources and services. Since its opening in 1992, the Incubator has been associated with assisting more than 70 businesses; 44 companies have graduated successfully from the LIHTI program, contributing over \$2.5B to the national economy and creating jobs for over 500 employees. The Incubator's affiliation with Stony Brook University makes LIHTI an ideal place for cutting-edge R&D. Transferring technology and ideas from the University to the private sector has proven to be successful.

Ownership – LIHTI is a not-for-profit corporation

Size - All facilities located in Wyandanch, NY.

ESD Involvement - LIHTI's request for assistance is based on the critical need for economic development in the Greater Wyandanch area. The Incubator seeks to develop a smart, sophisticated and integrated systems approach to create public-private partnerships that provide sustainable, continuous data gathering and analysis which will guide regional economic and workforce development strategies and investments. ESD's

**Stony Brook University Wyandanch Capital (Z104)**

July 16, 2015

investment will allow for creation of a Pilot Program (LI Opportunity Agenda) to gather data and make analyses that can guide regional economic & workforce development strategies & investments.

Competition – N/A

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

**The Project:**

Completion – April 2015

Activity - This pilot program will unite the NYS Department of Labor, the SUNY system, and the technology industry to strengthen the region's workforce development infrastructure to provide relevant, timely and critical data required for proactive economic and workforce development. The data collected will be analyzed for relevance to future strategic planning, current and future investments, and to significantly strengthen the performance metrics on the Long Island Regional Economic Development Council's allocated funds.

Results – Identify and assess both the available labor market in Wyandanch, Suffolk County and the need by manufacturers for employees with a variety of skills to address any inadequacies.

Financing Uses	Amount	Financing Sources	Amount	Percent
Supply-side-Skills and Identification	\$13,000	ESD Grant	\$45,000	90%
Employer Outreach	21,000	Company Equity	4,950	10%
Training Program Development	15,500			0%
Total Project Costs	\$49,500	Total Project Financing	\$49,950	100%

Grantee Contact - Anil Dhundale, Executive Director  
25 Health Sciences Drive  
Stony Brook, NY 11790  
Phone: 631-444-8800

Project Team -

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

## **Stony Brook University Wyandanch Capital (Z104)**

July 16, 2015

### **Financial Terms and Conditions:**

1. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. 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.
3. Up to \$45,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, documentation in the form of a final written report verifying the results of the employer outreach, supply-side skills assessment and training program development to fill skill gaps, and documentation verifying project expenditures totaling \$49,500, 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 3, 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 \$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.

### **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 (MWBs) in the performance of ESD projects. For purposes of this Project, however goals will not be established due to the unavailability of certified MWBs for performance of this Project.

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



**FOR CONSIDERATION**

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Schenectady (Capital Region – Schenectady County) – Disney Newsies Working Capital – Economic Development Purposes Fund (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

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**General Project Plan**

**I. Project Summary**

**Grantee:** Buena Vista Theatrical Group, Ltd. ("Buena Vista" or the "Company")

**Beneficiary Company:** The Walt Disney Company

**ESD\* Investment:** A grant of up to \$1,000,000 to be used for a portion of the cost of the production of a traveling theatrical tour

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

**Project Locations:** 432 State Street, Schenectady, Schenectady County and sites in Yonkers and New York City

**Proposed Project:** Touring production of the Broadway show "Newsies" to Proctor's Theatre in Schenectady, NY.

**Project Type:** Theatrical production

**Regional Council:** The Capital Regional Economic Development Council has been made aware of this item.

**Employment:** Initial employment at the time of ESD Incentive Proposal: 0

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Physical Production	\$2,415,745
Salaries	1,931,789
Marketing	150,000
Travel	390,161
Other	<u>417,013</u>
<b>Total Project Costs</b>	<b><u>\$5,304,708</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,000,000	19%
Company Equity	<u>4,304,708</u>	<u>81%</u>
<b>Total Project Financing</b>	<b><u>\$5,304,708</u></b>	<b><u>100%</u></b>

III. Project Description

A. Company

- Industry: Entertainment/Theater Company
- Company History: Buena Vista was established in 1993 and incorporated in New York.
- Ownership: Buena Vista operates as a subsidiary of The Walt Disney Company.
- Size: Buena Vista has 822 employees at all New York State locations.
- ESD Involvement: In September 2014, Empire State Development offered Buena Vista a grant to support their rehearsal and production activities for its traveling theater. The project, which took place from September to October of 2014 in Schenectady, NY, created approximately 155 temporary jobs including the cast, crew, musicians, administration and other personnel in Schenectady. The New York State incentive was a contributing factor in the project proceeding in the New York State project location.
- Competition: N/A
- Past ESD Support: This is the Company's first project with ESD.

B. The Project

**Completion:** October 2014

**Activity:** The Company launched a production tour of "Newsies" at Proctor's Theatre in Schenectady, NY including four weeks of loading in sets and equipment and running technical rehearsals and a one-week performance run all occurring between September and October of 2014.

**Results:** Although there are no job creation or retention requirements for this project, the project created approximately 215 jobs, of which 155 jobs were located in Schenectady from September to October of 2014.

#### **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 \$432,014;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Project cost to NYS government per direct job is \$60,606;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$51,272;
- Ratio of project fiscal benefits to costs to NYS government is 0.43:1;
- Fiscal benefits to all governments (state and local) are estimated at \$760,701;
- Fiscal cost to all governments is \$1,000,000;
- All government cost per direct job is \$60,606;
- All government cost per total job is \$51,272;
- The fiscal benefit to cost ratio for all governments is 0.76:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$5,596,245, or \$286,932 per job (direct and indirect);
- The economic benefit to cost ratio is 5.60:1;

- Project construction cost is \$0, which is expected to generate 0 direct job years and 0 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.19 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Seth A. Stuhl, Vice President, Business Affairs/Legal Counsel  
 Disney Theatrical Productions  
 214 West 42nd Street  
 New York, NY 10036  
 Phone: (212) 827-5518

ESD Project No.: Z799

Project Team:	Origination Project Management Contract and Supplier Diversity Finance Environmental	Steven Gold Wilfredo Florentino Denise Ross John Bozek Soo Kang
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C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$1,000,000 working capital grant (\$10,000).
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,000,000 will be disbursed to Grantee upon documentation of project costs totaling \$4,850,000, including at least \$1,000,000 in working capital expenses, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after September 4, 2014, to be considered eligible project costs. All disbursements must be requested by June 30, 2016.

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 Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

July 16, 2015

Schenectady (Capital Region – Schenectady County) – Disney Newsies Working Capital – Economic Development Purposes Fund (Working Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Disney Newsies Working Capital - Economic Development Purposes Fund (Working 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Buena Vista Theatrical Group, Ltd. a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

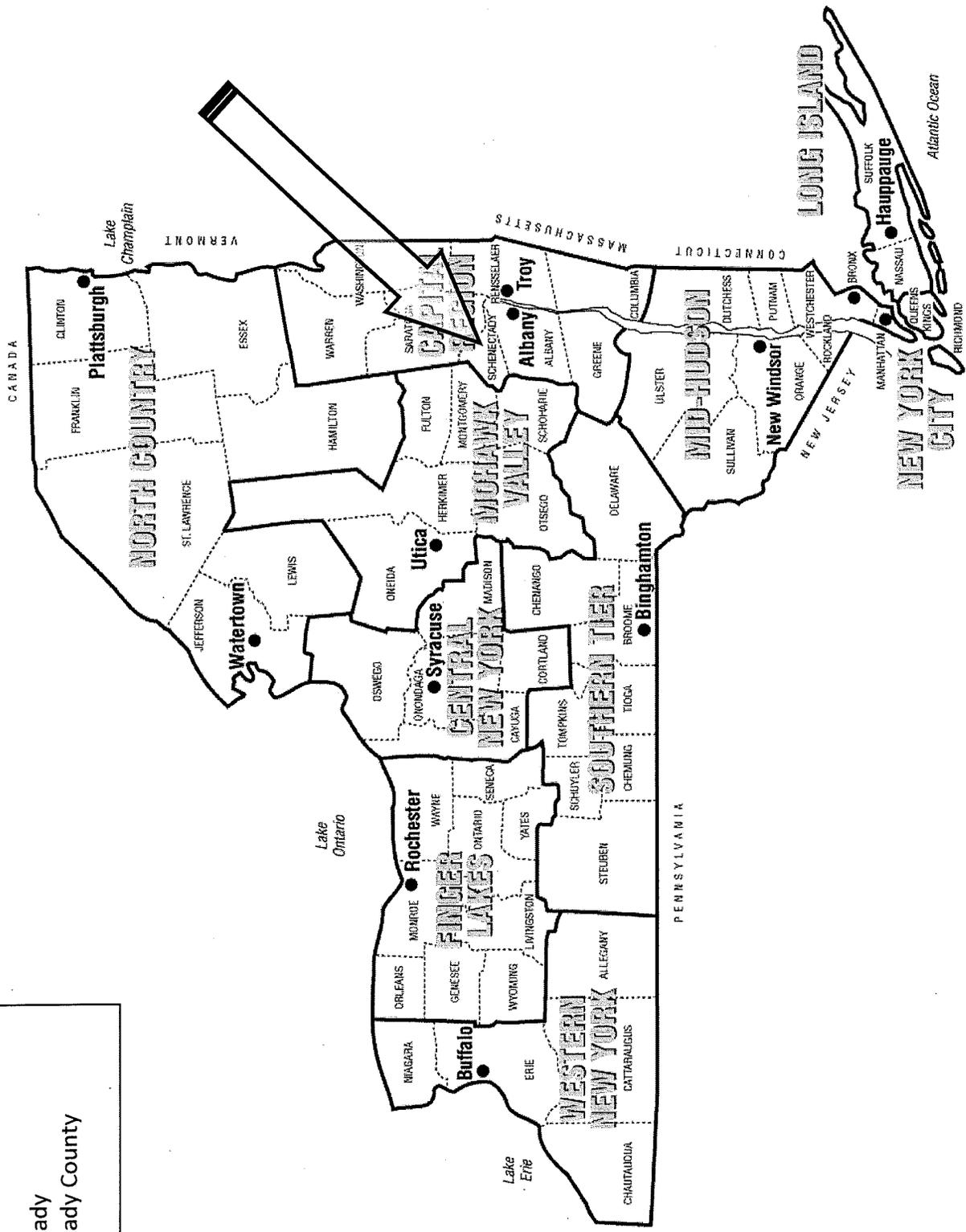
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

\* \* \*

Disney Newsies Working  
 Capital  
 Schenectady  
 Schenectady County







**FOR CONSIDERATION**

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Syracuse (Central New York Region – Onondaga County) – Matt Industries Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

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**General Project Plan**

**I. Project Summary**

**Grantee:** Matt Industries, Inc. d/b/a Dupli Envelope and Graphics Corporation (“Matt Industries” or the “Grantee”)

**ESD\* Investment:** A grant of up to \$350,000 to be used for a portion of the cost of building rehabilitation, company relocation and 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:** 6761 Thompson Road North, Syracuse, Onondaga County

**Proposed Project:** Purchase of the assets of PCI Paper Conversions, Inc. (“PCI”), including purchase of PCI’s existing manufacturing facility located in Syracuse (Town of Dewitt, Onondaga County), rehabilitation of that facility, purchase of machinery and equipment, company relocation, and related costs.

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

Regional Council: The Central New York Regional Economic Development Council (“CNYREDC”) has been made aware of this item. The Incentive Proposal was accepted in November 2014. The project is consistent with the CNYREDC’s Plan to strengthen targeted industry concentrations that leverage unique economic assets.

Employment: Initial employment at time of ESD Incentive Proposal: 104  
 Current employment level: 174  
 Minimum employment on January 1, 2017: 165\*  
 \*of the 61 new employees, 14 will satisfy the job creation commitment for Project #X783, for a total of 118 FTP Employees retained for Project #X783. This project requires the addition of 47 FTP Employees beyond the baseline of 118.

**II. Project Cost and Financing Sources**

<u>Financing Uses</u>	<u>Amount</u>	
Real Estate Acquisition	\$2,150,000	
Renovation	300,000	
Machinery and Equipment Acquisition	2,150,000	
Relocation and Soft Costs	<u>100,000</u>	
<b>Total Project Costs</b>	<b><u>\$4,700,000</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$350,000	7%
Company Equity	<u>4,350,000</u>	<u>93%</u>
<b>Total Project Financing</b>	<b><u>\$4,700,000</u></b>	<b><u>100%</u></b>

**III. Project Description**

**A. Company**

Industry: Print Technology

Company History: Dupli was started by J. Kemper Matt Sr. in 1980. Dupli is an industry leader in on-demand printing helping customers to establish print practices and utilize print technologies to drive their business. They produce 25 million envelopes per week and have expanded their services to include corporate identity and direct mail products.

Ownership: The Company is privately owned.

Size: Project location is in Syracuse, NY with additional facilities in Malvern, PA

and Newington, CT.

**Market:** Matt Industries technical abilities and equipment are unique with only three manufacturers within the United States that can produce the printed products they do. Customers include companies within New York State as well as nationally and in Europe and Canada.

**ESD Involvement:** In 2014, the Company saw an opportunity to expand its manufacturing operation in New York State by acquiring the assets and technology of PCI Paper Conversions, which was closing operations. The Company sought to purchase PCI's existing manufacturing facility located in Syracuse, rehabilitate the facility, and purchase machinery and equipment. To encourage Matt Industries proceed with this expansion and acquisition, ESD offered Matt Industries a \$350,000 grant to assist with the financing of the project.

**Competition:** N/A

**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>
Regional Council Capital Fund	X783	\$150,000	March 20, 2013	January 1, 2017	Capital – Facility improvements and the purchase of new machinery and equipment
Excelsior	Z410	\$122,000	October 22, 2014	January 1, 2017	Excelsior – Purchase the assets of PCI, Paper Conversions, Inc. including their existing manufacturing facility

**B. The Project**

**Completion:** March 2015

**Activity:** The Company has purchased the assets of PCI including purchase of PCI's existing 130,000-square-foot manufacturing facility, rehabilitation of that facility, the purchase of machinery and equipment, company relocation

and related costs.

Results: Retain 104 existing jobs and create 61 new jobs. The Company has already created 24 new jobs.

Grantee Contact: J. Kemper Matt, Jr., President  
One Dupli Park Drive  
Syracuse, NY 13204  
Phone: (315) 472-1316

ESD Project No.: Z409

Project Team:	Origination	James Fayle
	Project Management	Wilfredo Florentino
	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 \$350,000 capital grant (\$3,500) 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 \$350,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$175,000) upon documentation of real estate, machinery and equipment project costs totaling \$4,700,000, including the purchase and installation of \$2,150,000 in machinery and equipment, a certificate of occupancy and documentation of the employment of at least 128 Full-time Permanent Employees at the Project Location (Employment Increment of 24), 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 (\$87,500) will be disbursed upon documentation of the employment of at least 142 Full-time Permanent Employees at the Project Location (Employment Increment of 14), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$87,500) will be disbursed upon documentation of the employment of at least 165 Full-time Permanent Employees at the Project Location (Employment Increment of 23), 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 November 1, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$350,000, 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	104
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A	B
Reporting Date	Employment Goals
February 1, 2016	104+X+Y+Z
February 1, 2017	104+X+Y+Z
February 1, 2018	104+X+Y+Z
February 1, 2019	104+X+Y+Z

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=24, and Employment Goals shall equal  $[104 + X = 128]$  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.

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=14, and Employment Goals shall equal  $[104 + X + Y = 142]$  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=23, and Employment Goals shall equal  $[104 + X = 165]$  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

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.

As a result of this project, the Company will maintain its employment level of 104 and create 61 new jobs.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.

ESD assistance is needed to fill a financing gap.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Business Investment Project

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

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

- Fiscal benefits to NYS government from the project are estimated at \$2,521,125;
- Fiscal cost to NYS government is estimated at \$350,000;
- Project cost to NYS government per direct job is \$6,162;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$3,341;
- Ratio of project fiscal benefits to costs to NYS government is 7.20:1;
- Fiscal benefits to all governments (state and local) are estimated at \$4,407,300;
- Fiscal cost to all governments is \$350,000;
- All government cost per direct job is \$6,162;
- All government cost per total job is \$3,341;
- The fiscal benefit to cost ratio for all governments is 12.59:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$33,423,516, or \$319,096 per job (direct and indirect);
- The economic benefit to cost ratio is 95.50:1;
- Project construction cost is \$400,000 which is expected to generate 4 direct job year and 2 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.85 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.

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

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

V. Environmental Review

ESD staff has determined that 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 23% 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 Finance Memorandum  
Benefit-Cost Analysis

July 16, 2015

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Matt Industries Capital - Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Matt Industries, Inc. a grant for a total amount not to exceed Three Hundred and Fifty Thousand Dollars (\$350,000) 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

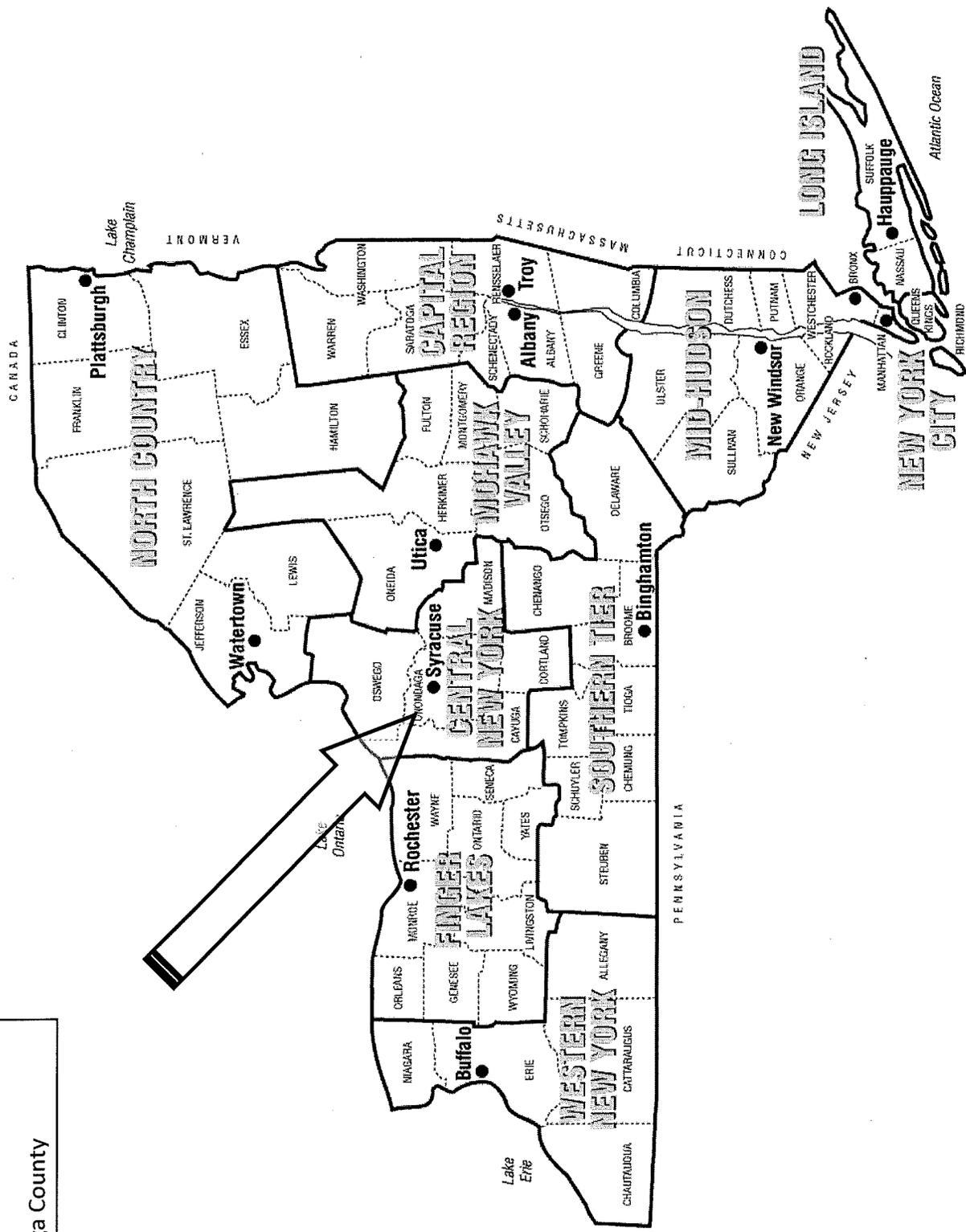
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

\* \* \*

**Matt Industries Capital**  
Syracuse  
Onondaga County



## Project Summary Benefit-Cost Evaluation<sup>1</sup>

### Matt Industries Corporation – Business Investment

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

<b>Initial Jobs:</b>	<b>104</b>	<b>Construction Job Years (Direct):</b>	<b>4</b>
<b>New Jobs:</b>	<b>61 over one year</b>	<b>Construction Job Years (Indirect):</b>	<b>2</b>

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks <sup>2</sup>	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs <sup>3</sup>	\$350,000	\$794,250	\$350,000	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$2,521,125	\$2,085,600	\$4,407,300	\$4,271,980
Fiscal Cost /Direct Job	\$6,162	\$3,000	\$6,162	\$4,110
Fiscal Cost/Total Jobs	\$3,341	\$1,424	\$3,341	\$1,964
Fiscal B/C Ratio	7.20	7.00	12.59	10.60
	Project Results	Benchmarks		
Economic Benefits <sup>5</sup>	\$33,423,516	\$119,468,000		
Econ. Benefits/Total Jobs	\$319,096	\$147,600		
Economic B/C Ratio	95.50	75.00		

<sup>1</sup> Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

<sup>2</sup> The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 75.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 30.00 (Economic).

<sup>3</sup> Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

<sup>4</sup> Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

<sup>5</sup> Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.



FOR CONSIDERATION

July 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund – General Development Financing and Regional Council Capital Fund (Capital Grants)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the UDC Act; Affirmation of the Proposed General Project Plan (“GPP”); Authorization to Make Grants; Adoption of Findings Pursuant to the State Environmental Quality Review Act (“SEQRA”); and Authorization to Take Related Actions

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General Project Plan

I. Project Summary

Grantee: Brooklyn Navy Yard Development Corporation (“BNYDC”)

Beneficiary  
Companies\*: Kent Steiner, LLC, 88 NT Associates, LLC, BNY Campus Associates, LLC, jointly and severally  
\*Each beneficiary company does business as Steiner Studios.

ESD\*\* Investment: Grants of up to \$5,000,000 to be used for a portion of the cost of construction costs and related planning and design expenses. It is anticipated that the project will be brought back to the ESD Directors at a later date for approval of additional funding, once the source or sources of funding for an additional \$6,300,000 has been identified.

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

Project Location: East end of the Brooklyn Navy Yard, Brooklyn, Kings County

Proposed Project: Implementation of Phase III of Steiner Studios’ multi-phase master plan

at Brooklyn Navy Yard, which includes predevelopment, design, site work, infrastructure, new construction of six soundstages (176,000 square feet), stabilization of existing structures and renovation of a 46,000 square foot historic structure.

Project Type: Business expansion

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

II. Project Cost and Financing Sources

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

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

\* Funding source is TBD and will be brought back to the ESD Directors at a later date for approval on this funding.

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

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

### III. Project Description

#### A. Company

**Industry:** BNYDC leases the 300-acre Brooklyn Navy Yard from the City of New York and subleases to various light industrial tenants. The Brooklyn Navy Yard currently has more than 330 tenants that employ approximately 7,000 people. Steiner Studios is a Hollywood-style film and television production facility.

**Company History:** The Brooklyn Navy Yard was established in 1801 and was once the site of one of the nation's most storied U.S. Navy ship-building facilities. Over the past two decades, the Brooklyn Navy Yard has emerged as a hub for the establishment and growth of small industrial businesses. Steiner Studios was opened in November 2004.

**Ownership:** BNYDC is a not-for-profit local development corporation. Steiner Studios is privately owned.

**Size:** BNYDC's four million square feet of leasable space has been at full capacity for more than five years. BNYDC is in the midst of an eight-building redevelopment that will generate over 1.5 million square feet of new light-industrial space. Steiner Studios is located on 15 acres at Brooklyn Navy Yard, has 10 sound stages, including the largest one on the East coast, and an additional 235,000 square feet of support space.

**Market:** BNYDC operates the Brooklyn Navy Yard as a modern industrial park. Steiner Studios is a full-service, state-of-the-art production facility,

equipped for start-to-finish production of major motion pictures, independent films, television, broadcast commercials, photo shoots and music videos.

**ESD Involvement:** As a result of the Governor’s Regional Economic Development Council Initiative, BNYDC and Steiner Studios were awarded \$5,000,000 through the Consolidated Funding Application (“CFA”) to establish a media campus to further strengthen the transformational impact of the entertainment and media industry in the State of New York.

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

**Past ESD Support:** ESD is currently administering \$6 million in grants and \$12 million in New Markets Tax Credits to BNYDC for the overall redevelopment of 250,000 square feet of Buildings 28, 123 and 128 into the Green Manufacturing Center at the Brooklyn Navy Yard. To date, approximately \$1,600,000 in grants has been disbursed for this project. In addition, ESD is currently administering \$3.25 million in grants to BNYDC for the renovation of Building 128 to allow Macro Sea to become a tenant. No grant funds have been disbursed to date for this project.

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

<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>
Downstate Revitalization Fund	W932	\$1,000,000	March 2011	December 2016	Capital Grant
Port Authority Transportation, Economic Development and Infrastructure Renewal	X771	\$5,000,000	August 2012	December 2016	Capital Grant
Urban and Community Development	Y232	\$1,250,000	August 2013	December 2018	Capital Grant
Port Authority Transportation, Economic Development and Infrastructure Renewal Accumulated Interest	Y622	\$2,000,000	August 2013	December 2018	Capital Grant

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

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

**B. The Project**

**Completion:** December 2016

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

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

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

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

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

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

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

Beneficiary Contact: Douglas Steiner  
15 Washington Avenue  
Brooklyn, NY 11205  
(718) 858-1600

ESD Project Nos.: Y439, Y440, Y653

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

C. Financial Terms and Conditions

1. Upon execution of ESD's standard form of Grant Disbursement Agreement, (which will include, without limitation, the Grantee and Beneficiary to defend, indemnify, insure and hold harmless ESD from and against any and all liability in connection with the Project), the Grantee/Beneficiary shall pay a commitment fee of 1% of the \$5,000,000 capital grant (\$50,000) 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 Beneficiary will be required to contribute a minimum of \$10,000,000 of the total project cost in the form of equity contributed after December 19, 2012. Equity is defined as cash injected into the project by the Beneficiary or by investors, and should be auditable through Beneficiary financial statements or Beneficiary accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

In addition, the Grantee will be required to contribute a minimum of \$11,300,000 of the total project cost in the form of equity contributed after December 19, 2012.

Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project. NYC Grant funds are acceptable to count toward the Grantee's equity requirement.

4. Up to \$5,000,000 will be disbursed to Grantee during the course of the project no more frequently than quarterly, in compliance with ESD's Design and Construction requirements, and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after September 19, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,000,000, 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.

#### IV. Statutory Basis – Empire State Economic Development Fund

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.

As a result of this project, over 1,100 permanent jobs are anticipated to be created. This project includes infrastructure improvements that are anticipated to lead to additional job creation.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.

Without ESD assistance to lower costs, the cost would have been too high to undertake the Project.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

#### Infrastructure Investment Project

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

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

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

\*\$6,300,000 of the \$11,300,000 will be presented to the ESD Board at a later date.

4. The requirements of Section 10(g) of the Act are satisfied.  
No residential relocation is required because there are no families or individuals residing on the site.

V. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-15 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

VI. Design and Construction

The Steiner Studios project calls for initial infrastructure upgrades allowing for the renovation of fifteen existing structures along with the construction of six new buildings on 28 acres within the Brooklyn Navy Yard industrial park.

D&C will monitor construction progress and at its option attend construction meetings. D&C will review and approve contractor requisitions along with consultant invoices and verify that all requirements have been satisfied prior to the approval and release of ESD funds.

D&C will review preliminary design and completed construction documents and visit the site during construction. Each requisition will be fully reviewed and recommended for payment only when D&C requirements have been satisfied. The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

VII. Environmental Review

ESD, acting as lead agency pursuant to the requirements of SEQRA and the implementing regulations of the New York State Department of Environmental Conservation, performed a detailed and comprehensive review of the proposed Project. On February 19, 2015, the ESD Directors accepted as complete the Draft Environmental Impact Statement (“DEIS”) for the Project. Upon acceptance, the DEIS was circulated for public review and comment, the public hearing was held on March 12, 2015, and the public comment period remained open through March 22, 2015. Responses to all comments received are contained in Section 3.25 of the Final Environmental Impact Statement (“FEIS”).

At the June 25, 2015 meeting, the ESD Directors accepted as complete the FEIS. The DEIS and FEIS considered the potential environmental effects of the Project as proposed in the GPP.

SEQRA requires the adoption of written findings, supported by a statement of relevant facts and conclusions considered, prior to agency decisions on actions that have been the subject of a FEIS. The “SEQRA Findings Statement,” attached as Exhibit A, contains the facts and conclusions in the DEIS and FEIS relied upon to support ESD’s decision on the Project, and indicates the social, economic and other factors and standards forming the basis of ESD’s decision.

The findings that ESD hereby ratifies and makes are that:

- ESD has given consideration to the DEIS and FEIS;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS, by incorporating as conditions to the decision those mitigation measures described in the FEIS and Findings Statement;
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act.

Accordingly, staff recommends that ESD adopt the SEQRA Findings Statement attached as Exhibit A.

#### VIII. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), and in connection with the previous authorization to adopt the GP approved by the Directors on February 19, 2015, ESD's Smart Growth Advisory Committee reviewed a Smart Growth Impact Statement ("SGIS"). This review found that the project is consistent with the State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria"). The designee of the Chief Executive Officer of the Corporation attested that the project, to the extent practicable, meets the relevant Smart Growth Criteria set forth in the SG Act. Therefore, no further smart growth public infrastructure review is required in connection with this action.

#### IX. 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 (MWBE) 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% (totaling \$2,000,000). The overall goal shall include a Minority Business Enterprise Participation Goal of 25% and a Women Business Enterprise Participation Goal of 15% related to the total value of ESD's funding for projects Y439 and Y440.

#### X. ESD Employment Enforcement Policy

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

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

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

XII. Additional Submissions to Directors

Resolutions

New York State Map

Project Area Map and Renderings

Project Finance Memorandum

Benefit-Cost Analysis

Exhibit A – SEQRA Findings Statement

July 16, 2015

Regional Council Award – Priority Project - Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund – General Development Financing and Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Affirmation of the Proposed General Project Plan (“GPP”); Authorization to Make Grants; Adoption of Findings Pursuant to the State Environmental Quality Review Act (“SEQRA”); and Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund and Regional Council Capital Fund (Capital Grants) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Brooklyn Navy Yard Development Corporation a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) from the Empire State Economic Development Fund and 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

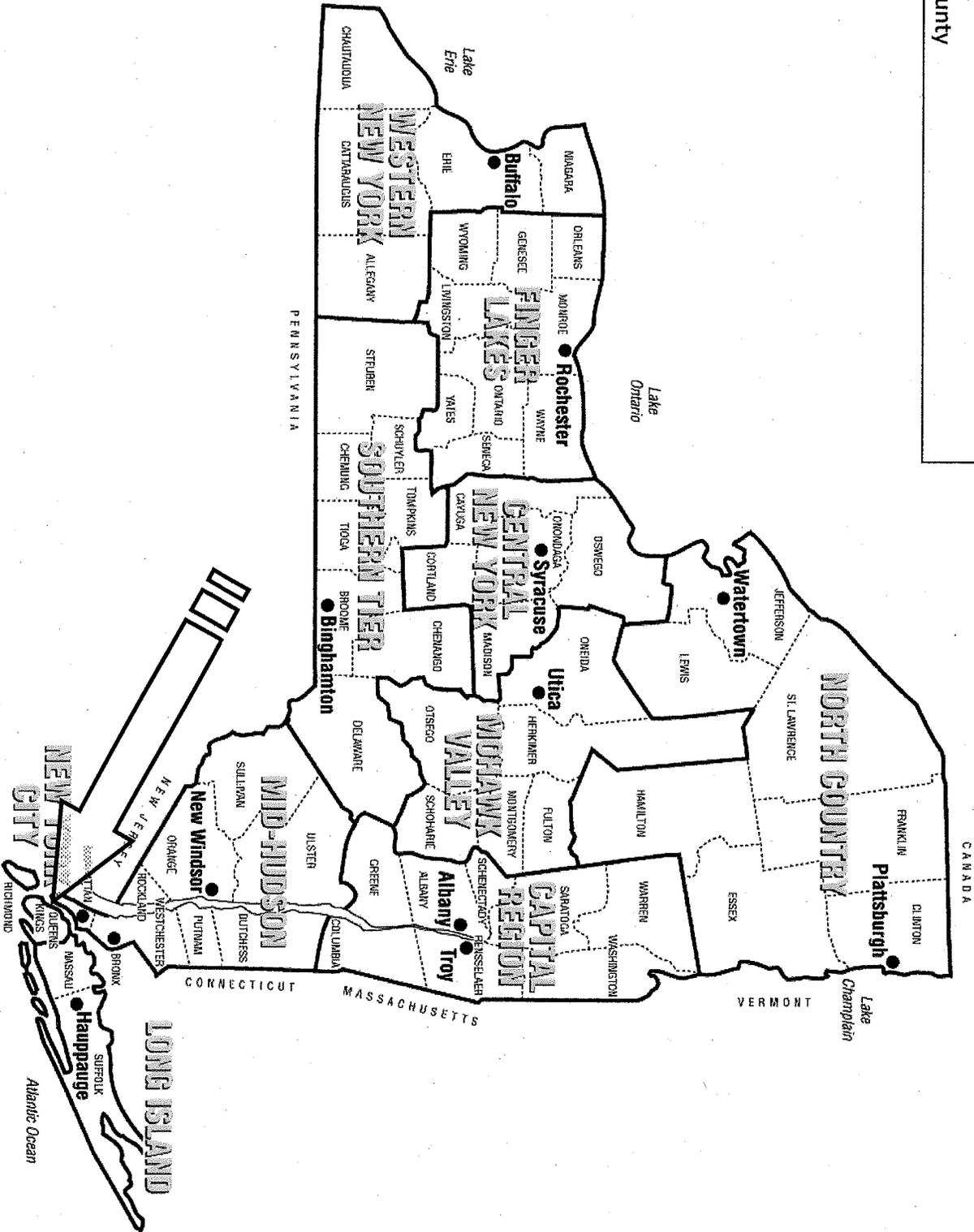
RESOLVED, that with respect to the Project, ESD, as the lead agency for the Project's environmental review, makes and adopts, pursuant to the State Environmental Quality Review Act ("SEQRA"), the following findings and determinations, which findings and determinations are made after full consideration of the ESD SEQRA Findings Statement attached as Exhibit A hereto, which Exhibit A is hereby adopted by the Corporation and copies of which Findings Statement are hereby ordered filed with the records of the Corporation relating to the Project:

- ESD has given consideration to the Draft and Final Environmental Impact Statement ("DEIS" and "FEIS" respectively) prepared for the Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that will avoid or minimize significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS and the Findings Statement by incorporating as conditions to the decision those mitigation measures described in the FEIS and Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act; and be it further

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

\* \* \*

**Brooklyn Navy Yard/Steiner Studios Capital**  
**Brooklyn**  
**Kings County**



**Project Summary  
Benefit-Cost Evaluation<sup>1</sup>**

**Infrastructure Project  
Brooklyn Navy Yard Development Corp.**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

**Construction Job Years (Direct): 676**

**Construction Job Years (Indirect): 364**

<b>Evaluation Statistics</b>	<b>Project Result NYS Govt.</b>	<b>NYS Govt. Benchmarks for ESD Projects<sup>2</sup></b>	<b>Project Results State &amp; Local Governments</b>	<b>State &amp; Local Government Benchmarks for ESD Projects</b>
<b>Fiscal Costs<sup>3</sup></b>	\$11,300,000	\$794,250	\$11,300,000	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$6,350,286	\$2,085,600	\$11,771,287	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.56	3.00	1.04	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits<sup>5</sup></b>	\$67,226,568	\$119,468,000		
<b>Economic B/C Ratio</b>	5.95	20.00		

<sup>1</sup> Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

<sup>2</sup> The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

<sup>3</sup> Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

<sup>4</sup> Fiscal benefits are the loan repayments and tax revenues to New York State and local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

<sup>5</sup> Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.



**EXHIBIT A**  
**STATE ENVIRONMENTAL QUALITY REVIEW**  
**FINDINGS STATEMENT**

Pursuant to Article 8 of the Environmental Conservation Law (State Environmental Quality Review Act [SEQRA]) and 6 NYCRR Part 617, the New York State Urban Development Corporation (UDC) d/b/a Empire State Development (ESD), as lead agency under SEQRA, makes the following findings:

- Name of Action:** Steiner Studios Media Campus Project
- Project Location:** The project site is located in the east end of the Brooklyn Navy Yard, in portions of the area generally bound by Kent Avenue, Flushing Avenue, Assembly Road, Clinton Avenue and Williamsburg Street West.
- Summary of Action:** The project involves the development of a “Media Campus” for future expansion of Steiner Studios’ operation at the Brooklyn Navy Yard Naval Hospital Annex (Naval Annex) and in portions of the Brooklyn Navy Yard (BNY) around the Naval Annex. The development would include approximately 350,000 square feet of floor area (including both the reuse of approximately 180,000 square feet of existing structures and approximately 170,000 square feet of new structures) for production support and related academic uses inside the Naval Annex. Outside the Naval Annex, an additional approximately 70,000 square foot “Backlot” would be developed and Steiner Studios may seek to construct a 250,000-square-foot Kent Avenue Parking Structure.
- SEQRA Classification:** Type I
- Lead Agency:** New York State Urban Development Corporation  
d/b/a Empire State Development
- Lead Agency Contact:** Soo Kang  
Senior Planner, Planning and Environmental Review  
Empire State Development  
633 Third Avenue, New York, NY 10017  
(212) 803-3253  
[Soo.Kang@esd.ny.gov](mailto:Soo.Kang@esd.ny.gov)

## **DESCRIPTION OF LEAD AGENCY ACTIONS**

The project sponsor is seeking financial incentives from ESD, which would be distributed through the Brooklyn Navy Yard Development Corporation (BNYDC), to help fund some of the key infrastructure improvements that would enable Steiner Studios to develop a Media Campus at the Naval Annex, as well as future development in portions of the BNY around the Naval Annex. The approval of the incentive funding by ESD also requires the adoption and affirmation of a General Project Plan (GPP) by ESD. These approvals require compliance with the State Environmental Quality Review Act (SEQRA). Because the proposed project includes nonresidential facilities which will meet or exceed 240,000 square feet in total, the proposed action is considered a Type I Action per 6 NYCRR Section 617.4 (b)(6)(v). ESD determined that the preparation of an EIS was warranted to review the environmental impacts of the proposed action.

ESD issued a Positive Declaration, and a draft scoping document setting forth the analyses and methodologies proposed for the EIS was issued on Friday, August 15, 2014. The public, involved and interested agencies, Brooklyn Community Board 2 and elected officials were invited to comment on the scope, either in writing or orally, at a public scoping meeting held on Tuesday, September 23, 2014, between the hours of 5:00 PM and 8:00 PM at Brooklyn Borough Hall, Community Room, 209 Joralemon Street, Brooklyn, New York. No comments were made during the public meeting. Written comments were considered and incorporated as appropriate into a final scope of work. The final scope of work was used as a framework for preparing the EIS for the proposed action. The final scoping document was issued on November 14, 2014.

Upon its determination that the Draft Environmental Impact Statement (DEIS) fully analyzed the environmental effects of the proposed project, ESD certified the DEIS as being complete on February 19, 2015, issued a Notice of Completion, and circulated the DEIS for public review. A joint public hearing on the DEIS and General Project Plan (GPP) was held on March 12, 2015 at Brooklyn Borough Hall located at 209 Joralemon Street in Brooklyn. Notice of the Public Hearing was published in the Brooklyn Daily Eagle and posted on ESD's web site. The public comment period remained open until March 22, 2015. No comments were received at the hearing and one written comment letter was received subsequent to the hearing.

A final environment impact statement (FEIS) was accepted by ESD on June 25, 2015, and a Notice of Completion was issued. The FEIS includes a chapter addressing comments received on the DEIS (see Chapter 3.25). The FEIS was properly filed with all involved and interested agencies and made available to the public.

## **FACTS AND CONCLUSIONS IN THE FEIS RELIED UPON TO SUPPORT THE DECISION**

### **Project Description**

Steiner Studios, working closely with BNYDC, has developed a conceptual plan for future expansion of Steiner Studios operations. Some expansion plan projects have already occurred,

for example the redevelopment of Building 1 at 25 Washington Avenue. The remaining Steiner Studios expansion projects are anticipated to occur over a 12-year period. The Steiner Studios expansion plan includes the creation of a state-of-the-art, full service Media Campus in the former Naval Annex that is located in the southeast corner of the BNY, as well as development in areas that surround the Naval Annex.

In order to realize the development of the Media Campus, key infrastructure improvements need to be made at the project site. Many of the buildings in the Naval Annex are in a state of disrepair and require infrastructure improvements to be re-occupied, for which ESD funding is sought. The funding provided by ESD would allow for a gas, water, sewer, electric and tele-data infrastructure loop to be constructed on the Naval Annex. In addition, other infrastructure measures that the ESD funding would support both inside and outside the Naval Annex, include the following:

- Grand Stair Plaza – A new landscaped, monumental stair plaza to connect the Naval Annex to Steiner Studios' existing campus and the main portion of the BNY, encouraging pedestrian flow, creating a gathering place for employees and visitors, and making the Naval Annex the visual focus of the east end of the BNY.
- Campus Pedestrian Passage – A new landscaped pedestrian passageway between the Naval Annex and the site of the Kent Avenue Parking Structure that would better link the Naval Annex to the east side of Steiner Studios and the Kent Avenue Parking Structure.
- Kent Avenue Vehicular Entrance – A new studio entrance providing direct access to the Naval Annex and the northern end of the proposed studio lot at Kent Avenue and Wilson Street.

The approval of the funding by ESD for the infrastructure improvements would facilitate approximately 350,000 square feet of floor area (including both the reuse of approximately 180,000 square feet of existing structures and approximately 170,000 square feet of new structures) inside the boundary of the Naval Annex. Of the 350,000 square feet, approximately 105,000 square feet would be allocated to academic uses, with the remaining approximately 245,000 square feet allocated to production support. Below is a list of existing buildings on the Naval Annex that would be renovated and their proposed new uses:

- U.S. Naval Hospital, Surgeon's House, Quarters No. 4, and Bachelor Officers' Quarters – Film and television production office space (e.g., for art, location, accounting, wardrobe and set dressing departments).
- Nurses' Quarters – Post-production center (e.g., for editing, animation, visual effects and sound editing).

- Carriage Houses/Stables – Production support space (e.g., workshops for set construction, scenic artist shops and set dressing).
- Infectious Disease Quarters - Writers' cottages.
- Medical Supply Depot and Lumber Shed - Additional production office space with potential space for related academic uses, including an advanced digital media lab.

In addition to the renovation of the existing buildings, the ESD-funded infrastructure improvements would facilitate the development of several new buildings on the Naval Annex. A new underwater soundstage would be developed; the first of its kind in New York City. Three new office buildings would be developed on the Naval Annex to be used as production office space and post-production space. In addition, new buildings would be developed to support the advanced digital media lab. The Naval Annex's green space would be rehabilitated as a campus landscape. The large field at the center of the Naval Annex (behind the Naval Hospital) would serve as an outdoor gathering space for employees and visitors to the campus.

Outside the Naval Annex, the ESD funding of infrastructure improvements (in particular, the new vehicular entrance) would support the development of a “Backlot”, approximately 70,000 square feet of new development near the northern tip of the project site. The Backlot would be the first major production backlot in New York State, with building facades and streets, to substitute for outdoor shooting elsewhere in the city. In addition, Steiner Studios intends to seek financial incentives from ESD in the future for the development of a 250,000- square-foot parking structure on Kent Avenue, northwest of the Naval Annex (the Kent Avenue Parking Structure).

For the purposes of the environmental review, the “proposed action” is the funding by ESD for the infrastructure improvements at the project site. The “proposed project” is the development that would occur at the project site that would be facilitated by ESD funding, including the Naval Annex, the backlot, the new Kent Avenue entrance, and potentially in the future, the Kent Avenue Parking Structure. Any remaining development projected to occur in the area outside the Naval Annex, as envisioned under Steiner Studios’ expansion plans, is not dependent on the approval of funding by ESD. The development that is expected to occur outside the Naval Annex, in the future without the proposed action, would not need extensive infrastructure improvements in order to be built; Steiner Studios plans to finance and construct these projects without funding assistance from ESD or other public funding sources.

### **Purpose, Need and Benefits**

Steiner Studios opened in the BNY in 2004. Since its inception, Steiner Studios has operated a successful film and television production studio that includes soundstages, offices, and support space. In order to meet the growing space and service demands of the New York State media production community, Steiner Studios seeks to expand into the southeastern portion of BNY to allow it to grow as a media production studio in New York State.

The expansion will allow Steiner Studios to add a variety of types of studios, stages and support space that will be able to serve more forms of media in one location, offering efficiency not easily obtained in New York City, and creating synergies and business opportunities not found when an industry is scattered. The long-term goal for Steiner Studios is to be on par, in both size and utilization, with the major studio lots in Los Angeles. To achieve this, Steiner Studios requires a secure, private lot; functional buildings with easy access and ample parking; common space for social and business interaction; and sufficient critical mass for film equipment suppliers, post-production, and media-related companies. The proposed project would allow the company to grow, provide jobs for residents of New York City and contribute to the city's economy. In addition, the proposed project would allow the potential for co-locating academic uses with new media uses, giving students exposure to an active media production environment and building local connections to the film industry, leading to continued work in the city after graduation.

As discussed previously, in order to realize some of the development of the Media Campus on the Naval Annex and in areas outside the Naval Annex, key infrastructure improvements need to be made at the project site. Many of the buildings in the Naval Annex are in a state of disrepair and require infrastructure improvements to be re-occupied. The funding provided by ESD to Steiner Studios would allow for a gas, water, sewer, electric and tele-data infrastructure loop to be constructed on the Naval Annex. In addition, other infrastructure measures that the ESD funding would support, both inside and outside the Naval Annex, include the construction of a Grand Stair Plaza, a Campus Pedestrian Passage, and a new Kent Avenue Vehicular Entrance at Kent Avenue and Wilson Street that would provide direct access to the Naval Annex and the northern end of the studio lot. Currently, the lot is primarily accessed through the BNY security gate at the intersection of Flushing and Washington Avenues and secondarily accessed through BNY Security's gate at the intersection of Kent Avenue and Clymer Street, north on Kent Avenue from where the new entrance would be located. The new entrance would allow for streamlined entry to Steiner Studios, in particular to the Media Campus and the Backlot. The project would also provide for the renovation and adaptive reuse of historic resources on the Naval Annex site. The proposed action would facilitate infrastructure improvements that would allow the historic buildings in the Naval Annex to be renovated and re-occupied with new uses.

### **Land Use, Zoning and Public Policy**

The proposed project would provide for the rehabilitation and adaptive reuse of historic structures in the Naval Annex, as well as new uses in and outside of the Naval Annex. The new development would be compatible with and complementary to surrounding land uses and would not introduce a land use that would be considered out of character with the project site or the study area. The proposed project would comply with all applicable bulk zoning regulations. To allow for future academic uses on site the project sponsor would pursue either a zoning text amendment from the New York City Planning Commission or a zoning override from the Office of the Deputy Mayor for Economic Development at the time that specific plans have been developed. Academic uses on site would be complementary to the as-of-right uses proposed for the project site. Furthermore, the proposed project would not conflict with

applicable public policies including, PlaNYC, the State Coastal Zone Management Program, and the city's Waterfront Revitalization Plan, Industrial Business Zones and Significant Maritime Industrial Areas. Therefore, the proposed action is not expected to result in significant adverse impacts to land use, zoning or public policy.

### **Socioeconomic Conditions**

There are currently no residential uses on the project site and no residential development is proposed as part of the proposed project. Therefore, no impacts from direct or indirect residential displacement would be expected as a result of the proposed action. No direct business displacement would occur under the proposed project, as there are currently no businesses on the project site. Furthermore, the proposed project would not impair the ability of a specific industry to operate in the city. The proposed action would not affect business conditions in a specific industry, or involve a citywide regulatory change that would adversely affect the economic and operational conditions of any types of businesses or processes.

While the proposed project would result in an increase of commercial square feet of more than 200,000 square feet, the increase in commercial space is not expected to result in significant adverse impacts due to indirect business displacement. The proposed project would consist of production studio space for film and TV and some associated academic space, expanding upon similar uses that already exist and are planned in the study area. There would not be a significant concentration of retail space that would exceed 200,000 square feet at the project site. In addition, the project site would be within the walled confines of the BNY, an insular location, and would not introduce a commercial use that would compete with local businesses in the surrounding area. Thus, the proposed project is not expected to introduce uses to the local economy that would indirectly affect socioeconomic conditions and make it difficult for local businesses to remain in the area. Rather, local businesses, such as retail and food establishments, may benefit from the new employees and students generated by the proposed project adding to their customer base. Therefore, no significant adverse impacts to socioeconomic conditions are expected as a result of the proposed project and no further assessment is warranted.

### **Community Facilities and Services**

The proposed project would not directly affect any of the community facilities that serve the area surrounding the project site. Further, no new residential population would be generated by the proposed action that would affect the existing service levels of existing community facilities. Therefore, there would be no significant adverse impacts to community facilities and services as a result of the proposed action

### **Open Space**

The proposed action would not result in any direct effects on any open space resources, as the project would not result in a physical loss of any public open spaces either by encroaching on

any open spaces or displacing any open spaces. The proposed action would not change the use of any open spaces so that they no longer serve the same user population, nor would the proposed action limit public access to an open space or result in increased noise, air pollutant emissions, odors, or shadows on any public open spaces that would affect their usefulness.

According to the *CEQR Technical Manual*, an open space impact would be considered significantly adverse when the decrease in open space ratio (OSR) is five percent or more in an area that is neither underserved nor well-served by open space. The proposed project would result in an OSR decrease from 0.30 acres of open space per 1,000 nonresidents to 0.27 acres of open space per 1,000 nonresidents, a decrease of approximately 11.3 percent. In the Future With-Action condition, the passive open space ratio of 0.27 would remain above the city's planning goal of 0.15 acres per 1,000 nonresidents.

The OSR for the nonresidential population would not decline below the city's guideline goal of 0.15 acres in the future with the proposed project. Furthermore, workers and students at the expanded Steiner Studios campus would have access to private open space. Given the insular nature of the proposed Steiner Studios Media Campus, it is expected that much of the demand for passive open spaces would be met by the passive open space amenities that would be created as part of the project. Therefore, the proposed project is not expected to result in any significant adverse impacts to open space resources in the study area.

## **Shadows**

There would be new project-generated shadows on sunlight-sensitive resources, including the Wallabout Channel Barge Basin and the proposed Navy Yard Cemetery Park, from new development on the project site. However, as discussed below, the duration and coverage of the new shadows on each resource would be limited and would not affect the vitality or usage of the sunlight-sensitive resources identified in the study area.

### *Wallabout Channel Barge Basin*

The shadow from the proposed project would not result in a substantial reduction in sunlight on the Wallabout Channel Barge Basin. While the shadow from the proposed Backlot would reach the Wallabout Channel Barge Basin on all four analysis dates, it would be relatively limited in duration and during all representative analysis periods the shadow would be off the resource by mid-morning. The portion of the project-generated shadow that would reach the Wallabout Channel Barge Basin would cover only a small portion of the water body compared to the overall size of the channel. Further, the area around the channel is not built-up, allowing most of the channel to receive a substantial amount of sunlight exposure during the course of the day. Thus, the project-generated shadow that would be cast on the Wallabout Channel Barge Basin would not have an effect on marine wildlife or any other natural resources existing in this surface water body and no significant adverse shadow impact on this sunlight-sensitive resource is expected as a result of the proposed project.

### *Navy Yard Cemetery Park*

The shadows from the proposed project on the Naval Annex would not result in a substantial reduction in sunlight on the future Navy Yard Cemetery Park. During the analysis date with the greatest duration of project-generated shadows, December 21<sup>st</sup>, project-generated shadows would enter the open space at 8:51 a.m. and exit the open space at 2:53 p.m., for total duration of approximately six hours and two minutes. However, the maximum coverage of the shadows on the resource during this analysis date would never be greater than 35 percent of the total park area. In addition, the period of maximum exposure from project-generated shadows would be during a cold-weather month when the park is not expected to be heavily used. Furthermore, the December analysis date falls outside the growing season, and shadows occurring during this time are unlikely to affect vegetation.

During the remaining analysis dates, March 21<sup>st</sup>, May 6<sup>th</sup> and June 21<sup>st</sup>, the maximum shadow coverage would range from 25 to 40 percent of the total area of the Navy Yard Cemetery Park. However, the duration of the shadows during these analysis dates would be substantially less than the December 21<sup>st</sup> analysis date. As noted in the *CEQR Technical Manual*, the minimum requirement of sunlight during the growing season (March to October) is generally four to six hours a day. The Navy Yard Cemetery Park, during the March, May and June analysis dates, would receive at least six hours of sunlight. In addition, according to BNYDC, the Navy Yard Cemetery Park was designed to be self-sustaining with shade tolerant plantings. Furthermore, given the very low density of the Naval Annex, the area of the park site would not receive shadows from other buildings in the area. Therefore, there would be sufficient sunlight for the growing season and new shadows would not affect the overall usage and enjoyment of the park. Project-generated shadows cast on the Navy Park Cemetery Park would not lead to a significant adverse shadow impact on sunlight-sensitive resources.

Thus, significant adverse impacts from project-generated shadows would not result from the proposed action.

## **Historic and Cultural Resources**

### *Archaeological Resources*

The State/National Register of Historic Places (S/NRHP) -eligible Naval Hospital Archaeological Site (#A04701.014975) could be directly affected by the below-ground installation of the upgrades to the utility infrastructure required as part of the Naval Hospital Building rehabilitation. The replacement/installation of utility infrastructure has the potential to affect all facades of the Naval Hospital and its wings. The proposed project could have an adverse effect on the Naval Hospital Archaeological Site because the planned ground disturbance associated with necessary utility infrastructure improvements could directly impact known and potential archaeological features that comprise the site.

In 2000, the Navy, the New York State Historic Preservation Office (SHPO), and Advisory Council on Historic Preservation (ACHP) entered into a Programmatic Agreement (PA) which set forth methods to mitigate the potential adverse effect of disposal of NAVSTA Brooklyn out of federal ownership. The PA included a *Standard Archeological Covenant* as Attachment 2, which relates directly to the Naval Hospital Archaeological Site (#A04701.014975). SHPO has advised through the consultation process that additional archaeological survey work will be required on the Naval Hospital Archaeological Site prior to the initiation of project actions. It is anticipated that a Phase II archaeological survey would be conducted in areas of proposed ground disturbance that lie within the Naval Hospital Archaeological Site, once such areas of disturbance have been specifically defined. The purpose of a Phase II survey is to provide a detailed evaluation of an identified cultural resource(s) that cannot be avoided by reasonable modification to the proposed project. Depending upon the results of the Phase II survey, Phase III data recovery excavations may also be required, where artifacts or other data are retrieved from the site.

A Letter of Resolution (LOR) has been prepared that describes the archaeological activities to be undertaken to mitigate the adverse effect to the Naval Hospital Archaeological Site prior to project implementation, as described in the Mitigation section below. The LOR signatories include the SHPO, the project sponsor, BNYDC, and ESD. The LOR includes the detailed measures to mitigate the adverse effect on the S/NRHP-eligible Naval Hospital Archaeological Site (#A04701.014975). The New York City Landmarks Preservation Commission (LPC) is conducting a coordinated review with SHPO for this undertaking and concurred with SHPO's archaeological findings in its comment letter dated January 21, 2015.

### *Architectural Resources*

The proposed action would have a significant adverse effect on the BNY Historic District because contributing resources would be removed and altered within the Naval Annex portion of the district. In accordance with Section 14.09 of the New York State Historic Preservation Act of 1980, and the historic preservation covenant in the PA and deed, the project sponsor must consult with the SHPO to arrive at mutually agreeable and appropriate measures that the project sponsor would implement to mitigate the adverse effect.

The proposed project would allow for the rehabilitation of 15 contributing resources, including the following:

- Surgeon's House (Building R1)
- Quarters No. 4/Lab Director's House (Building R4)
- Infectious Disease Quarters/Bungalow (Building R5)
- Infectious Disease Quarters/Bungalow (Building R6)
- Infectious Disease Quarters/Bungalow (Building R7)
- Bachelor Officers' Quarters (Building R8)
- Bachelor Officers' Quarters (Building R9)
- U.S. Naval Hospital (Building R95)

- Carriage House (Building R103)
- Stable (Building R109)
- Garage (Building R103A)
- Guard House and Gate Keeper Lodge (Building R104)
- Lumber Shed/Morgue (Building R426)
- Medical Supply Depot/Lab (Building RD)
- Nurses' Quarters/Unmarried Officers' Club (Building RG)

Although the 15 contributing resources within the Naval Annex would be rehabilitated, and new construction would be designed in a context-sensitive manner in consultation with the SHPO as per the historic preservation covenant in the PA and deed, removal of five contributing resources, and opening of the contributing wall on the north and west would result in physical alteration to the BNY Historic District. The significance of the Naval Annex within the district is tied, in part, to its variety of historic buildings in a self-contained, historic setting. The proposed changes would directly modify the integrity of the historic district, including its design, setting, feeling, and association. Therefore, implementation of the proposed action would result in a significant adverse impact on the BNY Historic District.

The resources within the Naval Annex are subject to a standard historic preservation covenant that was incorporated into both the PA and quitclaim deed between the federal government and BNYDC/City of New York. The requirements of the covenant would be imposed on Steiner through the lease from BNYDC. It requires the grantee to covenant to the SHPO to treat resources in accordance with the *Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings*. Specifically, the covenant indicates that "[n]o construction, alteration, rehabilitation, remodeling, demolition, disturbance of the ground surface, or other action shall be undertaken or permitted to be undertaken within "Historic Site" that would materially affect the integrity or the appearance of the attributes described above without prior approval by the SHPO and a record of such" (Department of the Navy, May 29, 2001). The 15 contributing resources listed above would therefore be rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation as required by the PA and quitclaim deed. However, as the proposed action would lead to a significant adverse impact on the historic district, because of the removal of five contributing resources, mitigation measures will be implemented via a LOR among the SHPO, the project sponsor, BNYDC, and ESD, as described in the Mitigation section below.

### **Urban Design and Visual Resources**

All development that would occur as a result of the proposed action would be developed in conformance with the bulk regulations of the New York City Zoning Resolution, and constructed within the existing zoning envelope. In addition, the proposed project would have a beneficial effect on existing visual resources as it would lead to key infrastructure improvements needed at the historic Naval Annex that would facilitate the redevelopment of the project site. Many of the buildings in the Naval Annex are in a state of disrepair and require extensive renovations to

be re-occupied. The project would provide for the adaptive reuse of the historic resources on the Naval Annex site, allowing the historic buildings in the Naval Annex to be renovated and re-occupied with new uses. Thus, no significant adverse impacts to urban design and visual resources are expected as a result of the proposed action.

### **Natural Resources**

The proposed project would not directly impact any regulated habitats (e.g., wetlands, open waters, etc.) and would not have any indirect effects on these habitats. Development at the project site, which would occur over the next decade or so, would only impact a portion of the natural habitat, which until the late 1990s, was regularly maintained and landscaped.

It is estimated that approximately 2,700 square feet of existing buildings at the Naval Annex would be removed and the area would be landscaped with lawns and other plantings as part of the greenspace that would form the rehabilitated campus setting at the Naval Annex, in the future with the proposed project. Approximately 1.1 acres of existing overgrown areas at the Naval Annex would be removed and replaced with new development proposed at the Naval Annex. Further, approximately 0.2 acres of existing lawns would be occupied by the footprint of future buildings. The removal of these undeveloped habitats (lawns and overgrown areas) would not result in a significant environmental impact. The fauna that are expected to utilize the project site as a long-term habitat resource are species that have adapted to an urban environment and would find other suitable habitats nearby.

No known "built resources" that are known to contain or may be used as habitat for protected species, as defined in the Federal Endangered Species Act (50 CFR 17) or the State's Environmental Conservation Law (6 NYCRR Parts 182 and 193) exist within the project site. No threatened and endangered species, or rare habitats, were observed on site during the 2014 site investigation. Furthermore, because of the long history of anthropogenic use of the site, it is likely that the native plant species present have volunteered from off-site or were planted by humans.

The project site is located within a disturbed urban setting and does not contain any natural resources of significance (e.g., wetlands, beaches, dunes, bluffs, thickets, significant grasslands, meadows, woodlands, or forests) as defined in the *CEQR Technical Manual*, nor is the site located immediately adjacent to any natural resources. The proposed project would not involve the disruption of subsurface conditions that might affect the function or value of an adjacent or nearby natural resource. Therefore, significant adverse impacts related to natural resources are not expected as a result of the proposed action.

### **Hazardous Materials**

A Phase I Environmental Site Assessment conducted for the project site identified potential sources of contamination. Phase II site investigation activities were also conducted at the project site, including the collection of soil and groundwater samples for laboratory analysis.

The Phase II site investigation confirmed evidence of petroleum contamination and other exceedances of soil and groundwater guidelines and standards.

As part of the overall development of the project site, the project sponsor is committed to the proper handling and disposal of hazardous materials on site in accordance with local, state and federal regulations and guidance. A soils management plan would be developed and implemented for the removal of any soils excavated from the project site and any dewatering required during the construction activities that require discharge to sewers would be performed in compliance with the appropriate effluent limitations through permits obtained from New York City Department of Environmental Protection, and as such sewage discharge from the site would be treated on site as required and sampled in accordance with permit requirements. The project sponsor would develop a Remedial Action Plan and Construction Health and Safety Plan to avoid the potential of significant impacts related to Hazardous Materials. A vapor barrier or other form of vapor control would be installed below the proposed new construction at the project site and any petroleum-contaminated soil, groundwater, or underground storage tanks unexpectedly encountered during site development would be reported to the appropriate government agency and removed or managed in accordance with applicable law. With implementation of these measures, the proposed project would not result in any significant adverse impacts related to hazardous materials that would affect public health.

## **Water and Sewer Infrastructure**

### *Water Supply*

The project site would generate a water supply demand of approximately 113,400 gallons per day (gpd), which represents a very small fraction of the city's water supply demand of 1.3 billion gallons per day. Therefore, since the proposed action would not result in development that consumes an exceptional amount of water, the proposed action would not result in a significant adverse impact on the city's water supply.

### *Wastewater Treatment*

Wastewater generated from the project site would be treated by the Newtown Creek Waste Water Treatment Plant (WWTP). The capacity of the Newtown Creek WWTP would continue to have a SPDES permitted capacity of 310 million gallons per day. By the year 2027, the proposed project would generate approximately 42,000 gpd of sanitary sewage. The increase represents a very small fraction of the capacity of the Newtown Creek WWTP. Since the wastewater generated by the proposed project is well within the capacity of the treatment plant, no significant adverse impacts to the city's wastewater treatment services would occur as a result of the proposed action.

### *Stormwater Management*

The proposed project would increase the amount of runoff above the amount that would occur in the existing condition due to the increase in impervious surfaces (roofs, pavement, roadways, etc.) within the Naval Annex, Backlot and Kent Avenue Parking Structure areas. Stormwater Best Management Practices would be incorporated into the final design for each of the project components to meet New York City requirements for on-site detention of stormwater. Thus, the proposed project would not result in significant adverse impacts from stormwater.

### **Solid Waste and Sanitation Services**

The *CEQR Technical Manual* states that if a proposed project's generation of solid waste in the future with the proposed project would not exceed 50 tons per week, it may be assumed that there is sufficient public or private carting and transfer station capacity in the metropolitan area to absorb the increment, and further assessment is generally not required. The proposed project's incremental increase of approximately 7.2 tons per week would not lead to significant adverse impacts to municipal or commercial solid waste collection and disposal services. Therefore, the proposed project would not have a significant adverse impact on the city's solid waste and sanitation services.

### **Energy**

It is expected that the proposed project, when operational, would consume approximately 94,395 million British Thermal Units (BTUs) per year. This would not be considered a significant demand for energy and the project site would be served by available energy suppliers. The proposed project would comply with the New York State Energy Conservation Code and would not affect the transmission or generation of energy. Therefore, the proposed project would not result in significant adverse impacts to the consumption or supply of energy.

### **Transportation**

#### *Traffic*

The traffic generated by the proposed project would cause two of the five study area intersections to have one or more congested movements in one or more of the analyzed peak hours, as discussed below:

- **Flushing Avenue/Washington Avenue:**
  - The westbound through/right-turn lane is projected to experience a potentially significant traffic impact during the weekday AM peak hour under the Future With-Action Condition. During the weekday AM peak hour, delays for motorists in this lane are projected to increase from 204.2 seconds per vehicle (Level of Service [LOS] "F") under Future No-Action Conditions, to 212.1 seconds per vehicle (LOS "F") under Future With-Action Conditions.

- The northbound approach is projected to experience potentially significant traffic impacts during the weekday AM and PM peak hours under the Future With-Action Condition. During the weekday AM peak hour, delays for motorists on the northbound approach are projected to increase from 81.7 seconds per vehicle (LOS "F") under Future No-Action Conditions, to 151.8 seconds per vehicle (LOS "F") under Future With-Action Conditions. During the weekday PM peak hour, delays for motorists on the northbound approach are projected to increase from 39.7 seconds per vehicle (LOS "F") under Future No-Action Conditions, to 50.9 seconds per vehicle (LOS "F") under Future With-Action Conditions.
- **Flushing Avenue/Williamsburg Street West:**
  - The eastbound through/right-turn lane is projected to experience a potentially significant traffic impact during the weekday PM peak hour under the Future With-Action Condition. During the weekday PM peak hour, delays for motorists in this lane group are projected to increase from 425.5 seconds per vehicle (LOS "F") under Future No-Action Conditions, to 434.9 seconds per vehicle (LOS "F") under Future With-Action Conditions.

Several traffic network improvements are proposed as mitigation measures for the significant adverse traffic impacts projected to occur as a result of the proposed project. With these recommended improvements in place, the potential traffic impacts of the proposed project during the weekday AM and PM peak hours can be mitigated so that they will not be significant. The mitigation measures are described below.

#### *Parking*

The proposed project includes a 250,000-square-foot Kent Avenue Parking Structure for the area outside the Naval Annex. This garage is planned to accommodate a total of approximately 650 accessory parking spaces. The projected parking demand for the proposed project is expected to be adequately accommodated within the proposed garage. Therefore, no significant adverse parking impacts would occur with the proposed project.

#### *Transit*

The proposed project would generate fewer than 200 new subway trips during the weekday midday peak hour, and more than 200 new subway trips during the weekday AM and PM peak hours. However, following a spatial assignment of the weekday AM and PM peak hour trips among the multiple subway stations within one mile of the BNY, no one subway station is projected to experience an incremental increase of more than 200 subway trips. Furthermore, the proposed project would generate fewer than 200 new public bus trips during each of the three weekday peak hours. Therefore, the proposed project is not projected to result in any significant adverse transit impacts.

## *Pedestrians*

The number of pedestrian trips generated by the proposed project would exceed the 200-trip preliminary screening threshold. The pedestrian assessment performed for the proposed project demonstrated that all of the pedestrian elements at the Flushing Avenue/Washington Avenue intersection are projected to operate at LOS "C" or better, with the exception of:

- 1) The north crosswalk, which is projected to operate at LOS "D" during the weekday midday peak hour. However, there would be no change to the pedestrian space at this crosswalk under the With-Action Condition, relative to the No-Action Condition, and thus there would be no significant adverse pedestrian impact.
- 2) The east-west sidewalk on the northwest corner, which is projected to operate at LOS "D" during the weekday midday peak hour, with a decrease in the projected pedestrian space under the With-Action condition that is below the threshold for a significant adverse pedestrian impact.

Therefore, no significant adverse pedestrian impacts are projected to occur at this intersection during the weekday AM, midday, and PM peak hours as a result of the proposed action.

## **Air Quality**

The proposed project would not exceed the 170-peak-hour trip-CEQR preliminary screening threshold for carbon monoxide (CO), and no CO microscale impact analysis was warranted. According to the PM<sub>2.5</sub> hot spot screening results at each affected intersection, all intersections passed the screening thresholds based on conservative peak-hour traffic increments and no further hot spot PM<sub>2.5</sub> analysis was warranted. Potential impacts from CO concentrations at the proposed parking structure were assessed at multiple receptor locations. The predicted CO levels are well below the respective 35 ppm 1-hour average National Ambient Air Quality Standard (NAAQS) and 9 ppm 8-hour average NAAQS.

All renovated existing buildings and newly constructed buildings associated with the proposed project would be located a sufficient distance from each other within the project site to avoid significant stationary source project-on-project air quality impacts. Moreover, all renovated existing buildings and newly constructed buildings associated with the proposed project would be located a sufficient distance from any existing development surrounding the project site to avoid significant adverse stationary source air quality impacts on existing buildings.

A review of permit records provided by New York City Department of Environmental Protection (NYCDEP) was conducted of NYCDEP-registered manufacturing facilities with known pollutants within 400 feet of the project site. The predicted concentrations using the conservative screening model at the proposed Facility are below the applicable NAAQS and/or NYSDEC Annual Guideline Concentrations/Short-term Guidelines Concentrations guideline thresholds, and potential air quality impacts on the proposed project as a result of operation of existing

neighborhood minor sources would not be significant. Thus, the proposed project would not result in any significant adverse impact related to air quality.

### **Greenhouse Gas (GHG) Emissions and Climate Change**

Energy expended from vehicle use associated with the proposed project would result in approximately 4,816.2 metric tons of GHG emissions on an annual basis. Stationary source operational GHG emissions are estimated to be approximately 4,414.55 metric tons on an annual basis. The proposed project would be supportive of transit and non-motorized commuting options. It is expected that the new and renovated buildings would utilize energy-efficient features and be compliant with the New York City Energy Conservation Code. Furthermore, all construction work at the project site would meet the standards of the New York City Building Code and the Best Available Flood Hazard Data available from FEMA at the time of their construction. Thus, the project is consistent with the citywide GHG reduction goal and would not result in a significant adverse climate change impact.

### **Noise**

Based on the results of the noise monitoring program performed for the proposed project, the academic buildings clustered around the southeastern portion of the project site would require a composite Outdoor-Indoor Transmission Class (OITC) rating greater than or equal to the 31 dB(A) window wall attenuation for façades facing Flushing Avenue and Williamsburg Street West. The OITC classification is defined by ASTM International (ASTM E1332-10) and provides a single-number rating that is used for designing a building façade including walls, doors, glazing, and combinations thereof. By employing these design specifications, the buildings that would house academic uses on the project site would provide sufficient attenuation to achieve the city's interior noise level guideline of 45 dB(A) or lower at sensitive receptors. In addition, the proposed buildings' mechanical systems (i.e., heating, ventilation, air conditioning and refrigeration systems) would be designed to meet all applicable noise regulations (i.e., Subchapter 5, §24-227 of the New York City Noise Control Code, the New York City Department of Buildings Code and Section 926 of the New York City Mechanical Code) and to avoid producing levels that would result in any significant increase in ambient noise levels. Furthermore, the proposed project would not result in passenger car equivalents doubling at sensitive receptors in the project area during any peak hour and no significant adverse mobile source noise impacts due to project-generated vehicular traffic are anticipated as a result of the proposed action. Therefore, significant adverse noise impacts are not expected to occur as a result of the proposed project.

### **Public Health**

According to the CEQR Technical Manual, for most proposed projects a public health analysis is not necessary. Where no significant unmitigated adverse impact is found in CEQR analysis areas, such as air quality, water quality, hazardous materials, or noise, no public health analysis

is warranted. The proposed project would not result in significant adverse impacts in these technical areas; and as such would not result in significant public health impacts.

### **Neighborhood Character**

Of the relevant technical areas specified in the *CEQR Technical Manual* that comprise of neighborhood character, the proposed project would not cause significant adverse impacts related to land use, socioeconomic conditions, historic and cultural resources, urban design and visual resources, transportation, noise, open space and shadows. The project site is separated from the surrounding community by a wall and the development proposed for the site would not affect the technical areas (except for transportation) that comprise neighborhood character. Furthermore, moderate adverse effects that would affect such a defining feature, either singly or in combination, have also not been identified. The proposed action would not result in a significant adverse neighborhood character impact.

### **Construction Impacts**

Construction activities generated by the proposed project would be gradual, taking place over a 12-year period. The schedule of construction at the project site would ultimately depend on market considerations and need for particular project elements. However, a conceptual reasonable worst-case construction scenario was developed to determine if there would be a potential for significant adverse construction-related impacts. As demonstrated in detail in the Construction Chapter of the FEIS, construction-related activities are not expected to have any significant adverse impacts on transportation, air quality, noise, historic resources, hazardous materials, natural resources, or other technical areas as a result of the proposed project. Therefore, no significant adverse construction impacts are expected as a result of the proposed action.

### **Alternatives**

As part of the proposed project, 15 contributing resources to the BNY Historic District would be rehabilitated; however, five contributing resources to the BNY Historic District are proposed to be demolished. An alternative that adaptively reuses all contributing resources to the BNY Historic District was considered, but it was concluded that it is not feasible to reuse the five contributing resources that are proposed to be removed from the Naval Annex. The functional inefficiencies resulting from retaining these five resources, and the high costs associated with renovations, would render the project financially and programmatically infeasible and would prevent the project from moving forward. SHPO concurred that there are no prudent or feasible alternatives that would allow for the adaptive reuse of all contributing resources that would preclude the need for the removal of the five identified contributing resources.

A No-Action Alternative was assessed as an alternative to the proposed action. The No-Action Alternative consists of normal and anticipated growth patterns by the 2027 analysis year of the proposed project, along with other separately planned projects within the surrounding area,

but does not include the construction of the proposed project. While the No-Action Alternative analysis would reduce or eliminate significant adverse transportation and historic and cultural resource impacts generated by the proposed project, the goals and objectives of the project sponsor would not be achieved under this alternative.

### **MITIGATION AND UNAVOIDABLE ADVERSE IMPACTS**

The FEIS identifies mitigation measures, where practicable and feasible, for the significant adverse impacts described in the FEIS.

#### **Mitigation**

##### *Historic Resources*

Mitigation measures for the proposed project's potential adverse effects to archeological and historic architectural resources are set forth in a Letter of Resolution (LOR) that has been executed among the project sponsor, BNYDC, ESD, and SHPO, pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. As described in the LOR, mitigation measures include the following:

1. The project sponsor will prepare a standard documentation package of contributing and non-contributing architectural resources to be rehabilitated or retained and non-contributing resources to be removed, including:
  - a) High-resolution digital photographs documenting the Naval Annex portion of the S/NRHP-listed BNY Historic District and the setting and exteriors of contributing and non-contributing buildings and structures that would be rehabilitated or retained, and non-contributing buildings and structures that would be removed within the Naval Annex, as indicated in Table 1 in Appendix B.

Prior to digital photography, buildings and structures should be cleared of foliage and other obstructions that prevent clear views, or photographs should be taken during periods when foliage is not in bloom.

The photographic documentation will be prepared and submitted in accordance with the National Park Service digital photography standards for National Register of Historic Properties nomination documentation.

- b) If available, historic photographs of buildings and structures, photographed with high-resolution digital photography as specified in Item a.
- c) If available, existing or historic drawings of buildings and structures, photographed with high resolution digital photography as specified in Item a, or

reproduced at original size on Mylar.

- d) A site plan to which the photographs in Item a have been numbered and keyed with arrows to identify the location and view depicted.
  - e) Written data, including brief physical descriptions of the overall Naval Annex setting, and exteriors of buildings and structures; brief historic context and statement of significance regarding the overall Naval Annex; and information about the Project.
2. The project sponsor will prepare a Historic American Buildings Survey (HABS) Level II documentation package of contributing buildings and structures within the Naval Annex to be removed, including:
- a) Large-format black-and-white archival photographs of setting and exteriors and interiors of contributing buildings and structures slated for removal as indicated in Table 1 in Appendix B.  
  
Prior to large-format photo-documentation, buildings and structures should be cleared of foliage and other obstructions that prevent clear views, or photographs should be taken during periods when foliage is not in bloom.
  - b) Written data on buildings and structures, including exterior physical descriptions and interior physical descriptions; brief historic context, statement of significance; and information about the Project prepared under Item 1.e will also be included.
  - c) If available, historic photographs of buildings and structures, photographed with high-resolution digital photography as specified in Item 1.a.
  - d) If available, existing or historic drawings of buildings and structures, photographed with high resolution digital photography as specified in Item 1.a., or reproduced at original size on Mylar.
  - e) A site plan to which the photographs in Item a have been numbered and keyed with arrows to identify the location and view depicted.
3. The Standard and HABS Level II documentation packages will be provided for SHPO review in draft form. Once final format and content have been agreed to, the project sponsor will prepare four hard and electronic copies of each package and provide them to the organizations listed below. Hard copies of the packages will be made available to the public at these organizations. In addition, the organizations may opt to have the electronic versions of the packages downloadable from their websites. The organizations include:

- a) New York State Division for Historic Preservation  
Peebles Island Resource Center  
Delaware Avenue  
Cohoes, NY 12047
- b) Building 92  
Brooklyn Navy Yard  
63 Flushing Avenue  
Brooklyn, NY 11205
- c) Brooklyn Historical Society  
128 Pierrepont Street  
Brooklyn, NY 11201
- d) Brooklyn Public Library  
10 Grand Army Plaza  
Brooklyn, NY 11238
- e) New York Public Library  
5th Avenue at 42nd Street  
New York, NY 10018

4. The project sponsor will prepare a Construction Protection Plan (CPP) to protect contributing resources to be rehabilitated or retained at the Naval Annex during the demolition of existing structures and construction of new structures. The CPP will be developed in coordination with the SHPO and professional engineers that will work with the project sponsor. Elements of the plan for preserving the historic integrity of the resources will include the following:

- a) Existing foundation and structural condition information for the buildings to be reused.
- b) Identification of interior and exterior historic character-defining features to be preserved.
- c) Protection from falling objects.
- d) Monitoring during construction using tell-tales, and horizontal and lateral movement scales.
- e) Means and methods plan for how the demolition and construction would proceed.

5. New construction will be undertaken in a context-sensitive manner. In accordance with

the covenant in the PA and quitclaim deed, ongoing consultation with the SHPO regarding new construction will occur among the project sponsor, BNYDC, ESD, and SHPO.

6. Based on the archeological covenant and continuing consultation with SHPO, no disturbance of the ground surface shall be undertaken or permitted to be undertaken within 50 feet of the S/NRHP-eligible Naval Hospital Archaeological Site and/or the identified Naval Hospital Cemetery without the express prior written permission of SHPO, signed by a fully authorized representative thereof.
7. The project sponsor will detail the archaeological activities to be undertaken to mitigate the potential Adverse Impact to the S/NRHP-eligible Naval Hospital Archaeological Site prior to project implementation. A Phase II archaeological survey will be conducted in areas of proposed ground disturbance that lie within 50 feet of the S/NRHP-eligible Naval Hospital Archaeological Site. The results of the Phase II survey will be reviewed by SHPO, and SHPO will be consulted with respect to whether a Phase III data recovery excavation is warranted.

#### *Transportation*

Potential significant traffic impacts are projected to occur at the following intersections and traffic movements by time period:

- **Flushing Avenue/Washington Avenue**
  - Weekday AM peak hour (westbound through/right-turn lane)
  - Weekday AM and PM peak hours (northbound approach)
- **Flushing Avenue/Williamsburg Street West**
  - Weekday PM peak hour (eastbound through/right-turn lane)

Based on these potential traffic impacts, the following transportation improvements are recommended:

- **Flushing Avenue/Washington Avenue:**
  - Prohibit on-street parking on the west side of Washington Avenue, from Flushing Avenue to Park Avenue, to provide for two southbound travel lanes.
  - Restripe the northbound approach to accommodate one exclusive left-turn lane and one shared through/right-turn lane.
  - Restripe the southbound approach (Steiner Studios access driveway) to accommodate one exclusive left-turn lane, one exclusive through lane, and one shared through/right-turn lane.

- Reallocate one second of green time from the north-south phase to the east-west phase during the weekday AM peak hour.
- **Flushing Avenue/Williamsburg Street West:**
  - Restripe the eastbound approach on Flushing Avenue from Steuben Street to Williamsburg Street West to widen both vehicular travel lanes from approximately 11 feet to 11.3 feet with a corresponding reduction in the width of the center median from approximately 8.0 feet to approximately 7.4 feet (a reduction of approximately 0.6 feet).

These improvements are designed to accommodate the future traffic volumes projected to occur on the roadway network during critical periods of peak traffic activity under the future with the proposed project; specifically, during the peak 15-minute period of the weekday AM and PM peak hours. With these recommended improvements in place, the potential traffic impacts of the proposed action during the weekday AM and PM peak hours can be mitigated.

#### **Unavoidable Adverse Impacts**

As part of the proposed project, 15 contributing resources to the BNY Historic District would be rehabilitated; however, five contributing resources to the BNY Historic District are proposed to be demolished. An alternative that adaptively reuses all contributing resources to the BNY Historic District was considered, but it was concluded that it is not feasible to reuse the five contributing resources proposed to be removed. The functional inefficiencies resulting from retaining these five resources, and the high costs associated with their adaptive reuse, would render the project financially and programmatically infeasible and would preclude the project from moving forward. Therefore, the significant adverse impact to the BNY historic district occasioned by removal of these buildings would be, although partially mitigatable as described above, unavoidable.

#### **Growth Inducing Aspects of the Proposed Action**

The proposed project would occur inside the walled confines of the BNY and would expand Steiner Studios' existing media production studios, as well as potentially expand future academic uses that would be co-located with Steiner Studios. Local businesses, such as local retail and food establishments, as well as support businesses, such as catering companies, would benefit from the activated project site, adding new employees and students to their customer base. Thus, the project would be consistent and compatible with adjacent land uses within and surrounding the BNY. While the proposed action would facilitate upgrades to the infrastructure capacity at the project site, these upgrades to infrastructure capacity are related to key infrastructure improvements needed at the project site to allow for its redevelopment and would not have a growth-inducing impact in areas outside of the study area.

#### **Irreversible and Irretrievable Commitment of Resources**

The project would redevelop the historic Naval Annex at the BNY, while at the same time develop new buildings at the project site that would complement the renovated historic buildings. The proposed project would require the irreversible and irretrievable commitment of energy, construction materials, human effort, and funding. The buildings and structures removed would also constitute a resource loss. However, many of the historic buildings on the site would remain and be renovated, and in combination with new development proposed, the proposed action would allow for the re-use of the historic Naval Annex that has been vacant and in a state of disrepair for many years.

**CERTIFICATION OF FINDINGS**

Having considered the Draft and Final Environmental Impact Statements, including the comments received on the DEIS, and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6 NYCRR 617.9, ESD finds and certifies that:

1. The requirements of Article 8 of the New York State Conservation Law and the implementing regulations of the New York State Department of Environmental Conservation, 6 NYCRR Part 617, have been met;
2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the proposed action will minimize or avoid, to the maximum extent practicable, the significant adverse environmental effects including the effects disclosed in the FEIS and set forth in this Findings Statement;
3. Consistent with the social, economic and other essential considerations described above, the significant adverse environmental impacts associated with the development of the Project which were identified in the FEIS and in this Findings Statement will be avoided or minimized to the maximum extent practicable by incorporating as conditions the mitigation measures described in the FEIS and in this Findings Statement; and
4. The Project is in compliance with Section 14.09 of the State Historic Preservation Act.

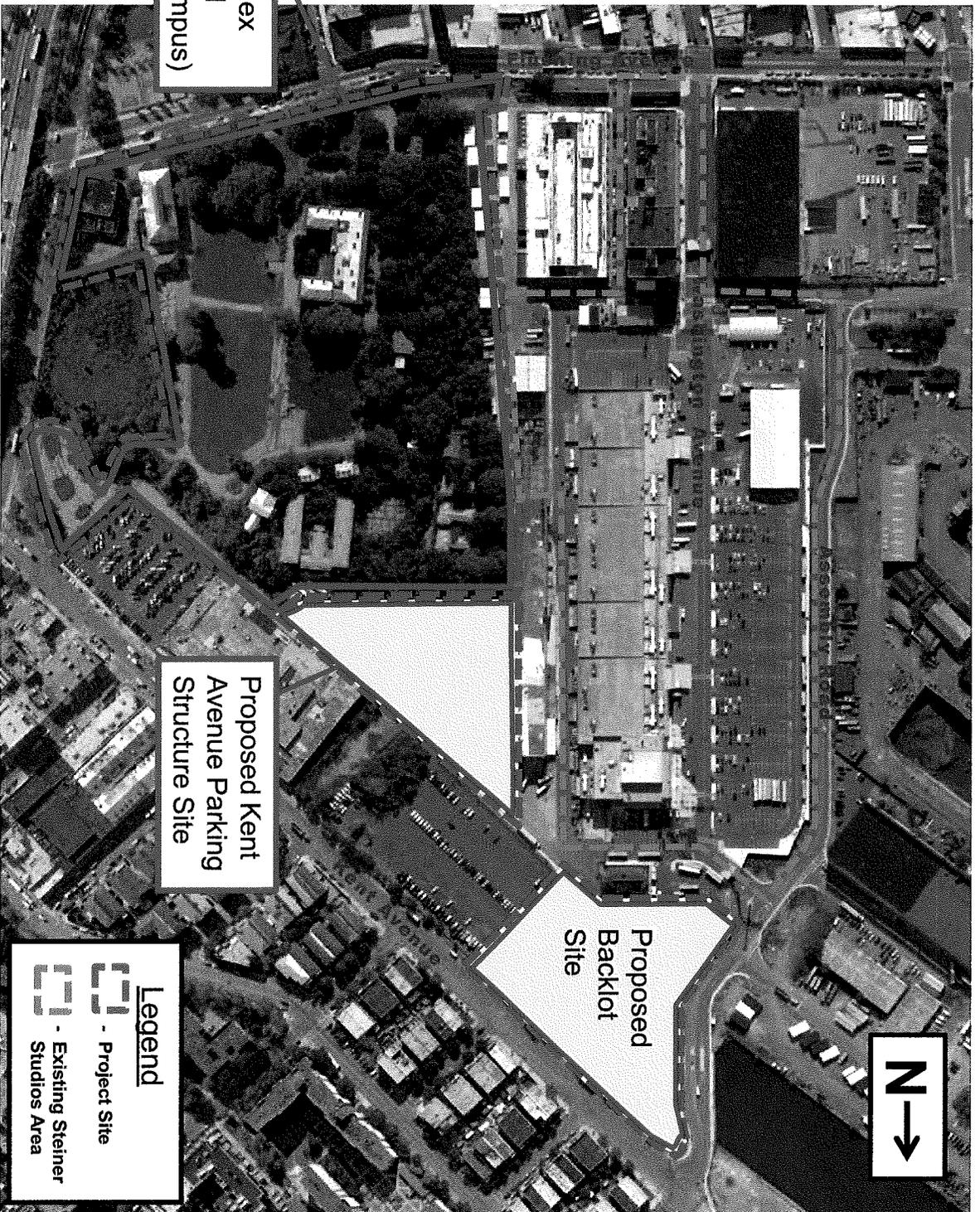
**Agency:** **NYS Urban Development Corporation  
d/b/a Empire State Development**

**Signature of Responsible Officer:** \_\_\_\_\_

**Name/Title of Responsible Officer:** \_\_\_\_\_

**Date:** \_\_\_\_\_





Naval Annex  
(Proposed  
Media Campus)

Proposed Kent  
Avenue Parking  
Structure Site

Proposed  
Backlot  
Site



**Legend**

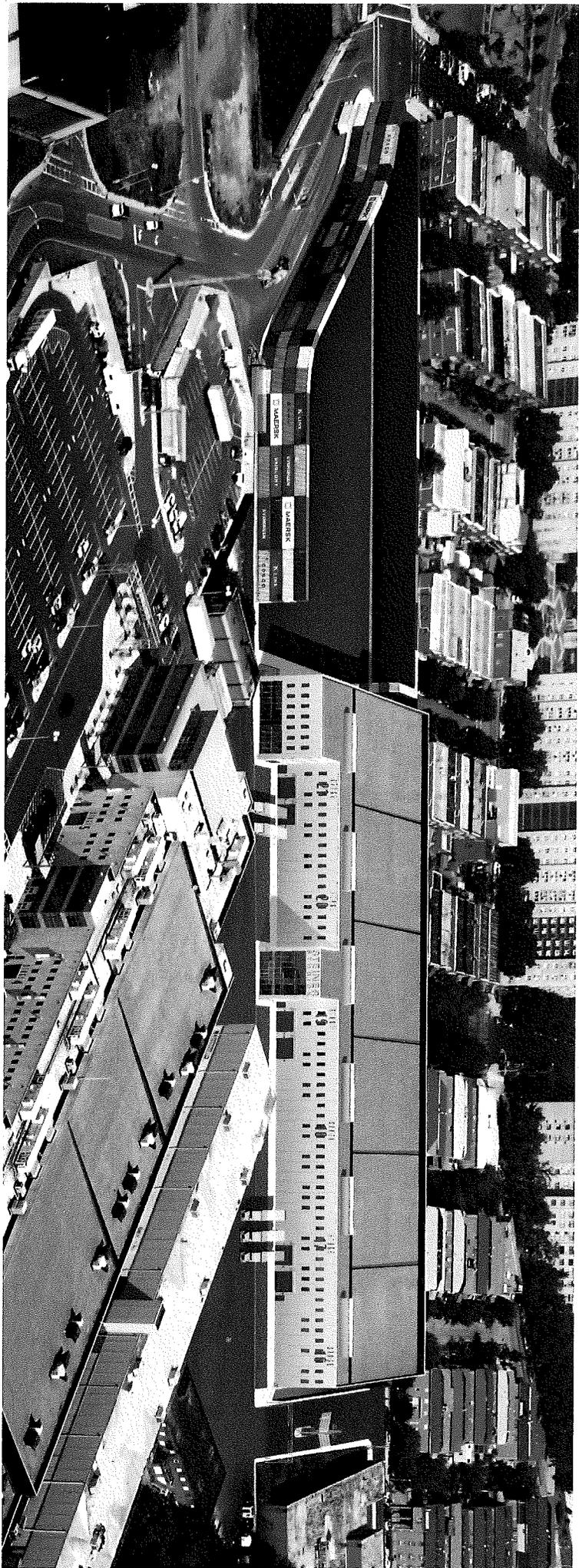
-  - Project Site
-  - Existing Steiner Studios Area

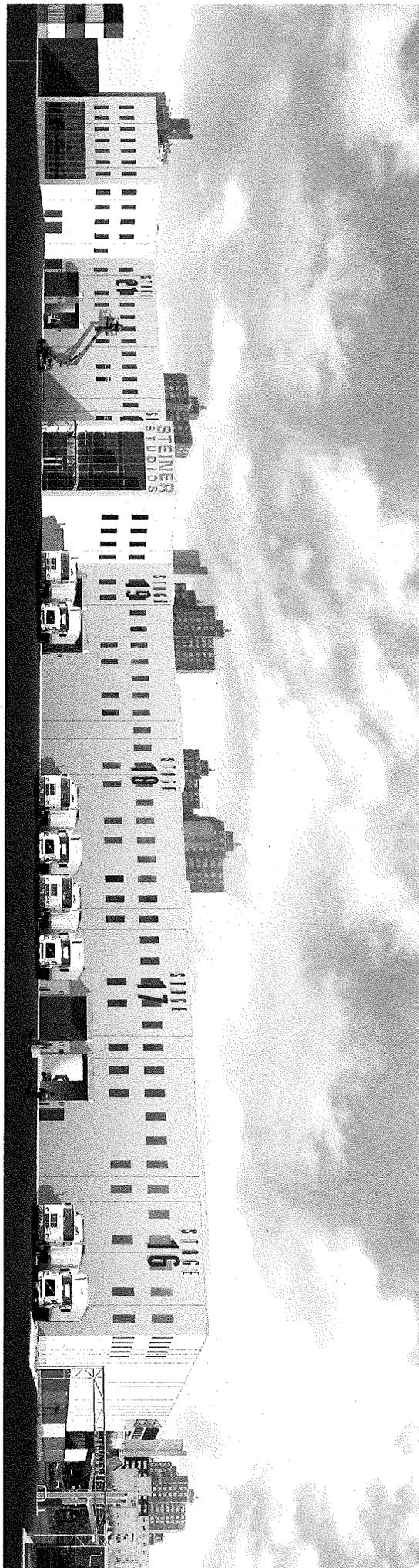
**AECOM**

Steiner Studios Media Campus EIS  
Brooklyn Navy Yard

**Project Area Map**

Figure 2.0-2







**FOR CONSIDERATION**

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Priority Project – Lockport (Western New York Region – Niagara County) – Lockport Ice 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; Determination of No Significant Effect on the Environment

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**General Project Plan**

**I. Project Summary**

**Grantee:** Lockport Ice Arena and Sports Center, Inc. (the “Lockport Ice Arena”)

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

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

**Project Location:** 34 Chestnut Street, Lockport, Niagara County

**Proposed Project:** Construction of a new National Hockey League (“NHL”) regulation-size ice and sports arena (the “Arena”)

**Project Type:** Facility Construction

**Regional Council:** This is a Priority Project for the Western New York (“WNY”) Regional Economic Development Council (“REDC”). The project is consistent with the Regional Plan as it is geared to young adults; revitalizes a downtown area by demolishing a vacant dilapidated building and

constructing a new venue; and increases tourism.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>		
Construction	<u>\$13,500,000</u>		
Total Project Costs	<u>\$13,500,000</u>		
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$1,000,000	7%	
NYSEG-Grant	500,000	4%	
NYS Dormitory Authority-Grant	400,000	3%	
NYSERDA-Grant	200,000	2%	
Grigg Lewis Foundation-Loan	7,300,000	54%	5yrs/interest only, followed by a variable rate over 10yrs w 20yr amortization/unsecured
Grantee Equity*	<u>4,100,000</u>	<u>30%</u>	
Total Project Financing	<u>\$13,500,000</u>	<u>100%</u>	

\*Source of Equity is philanthropic donations and proceeds from the Grantee’s capital campaign fund.

III. Project Description

A. Grantee

Industry: Lockport Ice Arena operates an ice and sports arena.

Grantee History: The Grantee was formed in 2008 solely to construct and operate an ice and sports arena in a distressed area of Niagara County in an effort to address a severe deficiency in local usable ice rink facilities. In 2009, the Lockport Ice Arena purchased a 70,000-square-foot, long-vacant former Jubilee supermarket and began the fundraising process to design and construct the Arena.

Ownership: The Lockport Ice Arena is a not-for-profit corporation. Two members of the gold medal-winning U.S. sled hockey team from 2014’s Paralympic Games, Adam Page and Paul Schaus, serve as honorary co-chairmen.

Size: There is one facility located in Lockport, NY.

ESD Involvement: In 2013, the Grantee had completed the design of a new arena and had secured a significant portion of funding commitments but did not have

sufficient financing necessary to start the construction project. The Grantee applied for assistance through Round 3 of the Consolidated Funding Application process and was awarded \$1,000,000 in financial assistance for this priority project in Niagara County. Without ESD's assistance, the financing gap would have remained and the project would have been delayed until additional funding could be secured.

Competition: N/A

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

B. The Project

Completion: December 2014

Activity: The project involved the construction of a 93,000-square-foot, ADA-compliant, two-level ice and sports Arena. The first floor includes two NHL-regulation ice rinks, featuring an energy efficient ECO CHILL® system designed to collect, recycle and reuse energy, and is capable of being covered to host non-ice-related events; concessions; performance training center; community center; locker rooms; and seating for 630 spectators. The approximate 7,000-square-foot second floor will accommodate future retail and restaurant tenants. The Arena offers skating-related programs for youth and adult hockey leagues and clinics; group skating lessons; hockey and skating day camps; programs for those with developmental disabilities and special needs; and public skating, figure skating and pick-up hockey sessions. The Arena is strategically located directly adjacent to Lockport's library and YMCA and within two blocks of public transportation allowing for easy access. Cornerstone Community Federal Credit Union has signed a 12-year contract for naming rights; the Arena's official name is Cornerstone Arena. The Arena will be leased to and operated by Firland Management (Lewiston, Maine), which also manages a similar arena in Batavia (Genesee County).

Results: The project is expected to attract approximately 21,000 skaters and 100,000 visitors annually, increasing retail and hospitality revenues by as much as \$3 million annually in Niagara County alone; spur private spinoff development in new downtown Lockport; provide a year-round ice and sports arena in an area that was grossly underserved; and offer hockey and figure skating access for local youth combating juvenile delinquency, and promoting social welfare, physical fitness, and good sportsmanship.

**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 \$826,367;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.83:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,444,832;
- Fiscal cost to all governments is \$1,000,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 1.44:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$10,895,845;
- The economic benefit to cost ratio is 10.90:1;
- Project construction cost is \$13,500,000 which is expected to generate 121 direct job years and 76 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. James Sullivan, Executive Director  
P.O. Box 341  
Lockport, NY 14094  
Phone: 716-940-2039

**ESD Project No.:** Y773

<b>Project Team:</b>	Origination	Holly Ortman
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Jonevan Hornsby

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's financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,000,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials as evidenced by a certificate of occupancy or other documentation verifying project completion and upon documentation of construction costs of approximately \$12,300,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after December 19, 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 \$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. Upon completion of the project and disbursement of ESD funds, and for a period of five years thereafter, the Grantee shall report to ESD on an annual basis the number of events hosted in the Arena and the number of days of the year the facility is active during the course of the previous year.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2013-2014 New York State budget and re-appropriated 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

The City of Lockport, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on October 25, 2013. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise Participation Goal of 25% and a Women Business Enterprise Participation Goal of 15% related to the total value of ESD's funding.

VII. ESD 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

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

July 16, 2015

Regional Council Award – Priority Project – Lockport (Western New York Region – Niagara County) – Lockport Ice 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Lockport Ice 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Lockport Ice Arena and Sports Center, Inc. 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.

\* \* \*

July 16, 2015

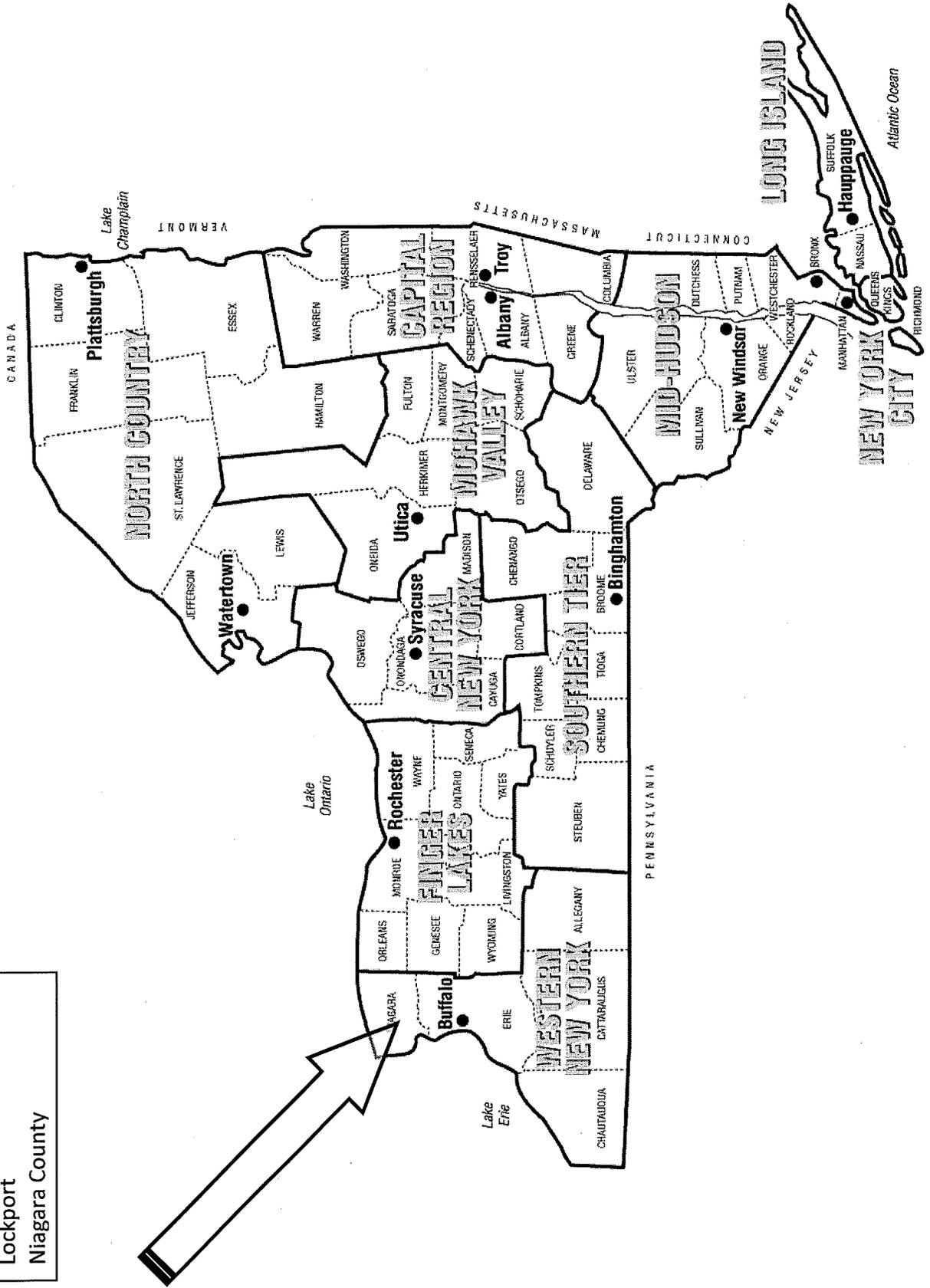
Regional Council Award – Priority Project – Lockport (Western New York Region –  
Niagara County) – Lockport Ice Arena Capital – Regional Council Capital Fund (Capital  
Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Lockport Ice Arena Capital – Regional Council Capital Fund (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

**Lockport Ice Arena Capital**  
Lockport  
Niagara County



**Project Summary  
Benefit-Cost Evaluation<sup>1</sup>**

**Economic Growth Project  
Lockport Ice Arena**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

**Construction Job Years (Direct): 121**  
**Construction Job Years (Indirect): 76**

<b>Evaluation Statistics</b>	<b>Project Result NYS Govt.</b>	<b>NYS Govt. Benchmarks for ESD Projects<sup>2</sup></b>	<b>Project Results State &amp; Local Governments</b>	<b>State &amp; Local Government Benchmarks for ESD Projects</b>
<b>Fiscal Costs<sup>3</sup></b>	\$1,000,000	\$794,250	\$1,000,000	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$826,367	\$2,085,600	\$1,444,832	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.83	3.00	1.44	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits<sup>5</sup></b>	\$10,895,845	\$119,468,000		
<b>Economic B/C Ratio</b>	10.90	30.00		

<sup>1</sup> Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

<sup>2</sup> The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

<sup>3</sup> Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

<sup>4</sup> Fiscal benefits are the loan repayments and tax revenues to New York State and local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

<sup>5</sup> Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

Lockport Ice Arena Capital, Y773

During Construction





FOR CONSIDERATION

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Ticonderoga (North Country Region – Essex County) – International Paper Natural Gas Conversion 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:** International Paper Company (“IP” or the “Company”)

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

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

**Project Location:** 568 Shore Airport Road, Ticonderoga, Essex County

**Proposed Project:** Natural gas conversion of boilers at IP’s Ticonderoga Mill

**Project Type:** Facility upgrade involving job retention

**Regional Council:** The project is consistent with the North Country Regional Economic Development Council’s (“NCREDC”) Regional Plan to support Manufacturing and existing employers and encourage sustainable business activities. Donna Wadsworth of International Paper-Ticonderoga Mill is a member of the 20-person NCREDC. In conformance with the State’s policy, this individual has recused herself on votes recommending this project. The NCREDC includes some additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

Employment: Initial employment at time of ESD Incentive Proposal: 640  
 Current employment level: 640  
 Minimum employment through January 1, 2017: 640\*  
 \*May include up to 64 Full-time contract employees

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction	\$8,729,029	
Engineering	1,479,483	
Soft costs	<u>2,691,488</u>	
Total Project Costs-revised 2015	<u>\$12,900,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,000,000	8%
Company Equity	<u>11,900,000</u>	<u>92%</u>
Total Project Financing	<u>\$12,900,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Paper and packaging manufacturing

Company History: International Paper was formed in 1898 in Corinth NY. IP is the largest paper company in the industry with 65,000 employees worldwide and operations in 24 countries

Ownership: IP is publicly-traded on the New York Stock Exchange

Size: The IP facility at Ticonderoga is 741,803 square feet on 2,200 acres and is the largest private employer in Essex County.

Market: IP manufactures and distributes paper and packaging worldwide

ESD Involvement: International Paper needed financing assistance to convert the boilers at the Ticonderoga Mill facility from oil to natural gas fuel to reduce operating costs and to make the facility more energy efficient. IP applied for financial assistance through Round 2 of the Consolidated Funding Application process and the project was awarded \$1,000,000. The project would not be possible without ESD assistance.

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
Empire State Economic Development Fund	V375	\$785,000	August 2010	June 2011	Capital M&E

**B. The Project**

Completion: June 2015

Activity: IP planned, designed, constructed and installed new equipment for conversion of boilers from oil to natural gas. The new system is more cost efficient and more sustainable for paper plant operations.

Results: Retain 640 existing jobs. The project is expected to reduce fuel oil usage by 14.6 million gallons annually.

**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 \$15,556,432
- Fiscal cost to NYS government is estimated at \$1,000,000
- Project cost to NYS government per direct job is \$3,307

- Project cost to NYS government per job (direct plus indirect ) is estimated at \$1,653
- Ratio of project fiscal benefits to costs to NYS government is 15.56:1;
- Fiscal benefits to all governments (state and local) are estimated at \$25,736,763;
- Fiscal cost to all governments is \$1,000,000;
- All government cost per direct job is \$3,307;
- All government cost per total job is \$1,653;
- The fiscal benefit to cost ratio for all governments is 25.74 :1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$134,347,735, or \$222,050 per job (direct and indirect);
- The economic benefit to cost ratio is 134.35:1;
- Project construction cost is \$12,900,000 which is expected to generate 146 direct job years and 56 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1 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: Christopher Mallon, Mill Manager  
 568 Shore Airport Road  
 Ticonderoga NY 12883  
 Phone: (518) 585-5674

ESD Project No.: Y158

Project Team:	Origination	Rosemary Redmond
	Project Management	John Vandeloo
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$1,000,000 will be disbursed to the Grantee upon documentation of lime kiln conversion project costs totaling \$12,900,000, upon completion of the project substantially as described in these materials, and documentation of the employment of at least 640 Full-time Permanent Employees at the Project Location, of which 64 employees may be Full-time contract employees, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after December 12, 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 \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	640
---------------------	-----

A	B
Date	Employment Goals
February 1, 2016	640
February 1, 2017	640

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015, 2015-2016, New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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 City 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%, Minority Business Enterprise ("MBE") participation goal of 13% and a Women Business Enterprise ("WBE") participation goal of 10% related to the total value of ESD's funding 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  
Project Photographs

July 16, 2015

Regional Council Award – Ticonderoga (North Country Region – Essex County) – International Paper Natural Gas Conversion – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the International Paper Natural Gas Conversion - 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 International Paper Company 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

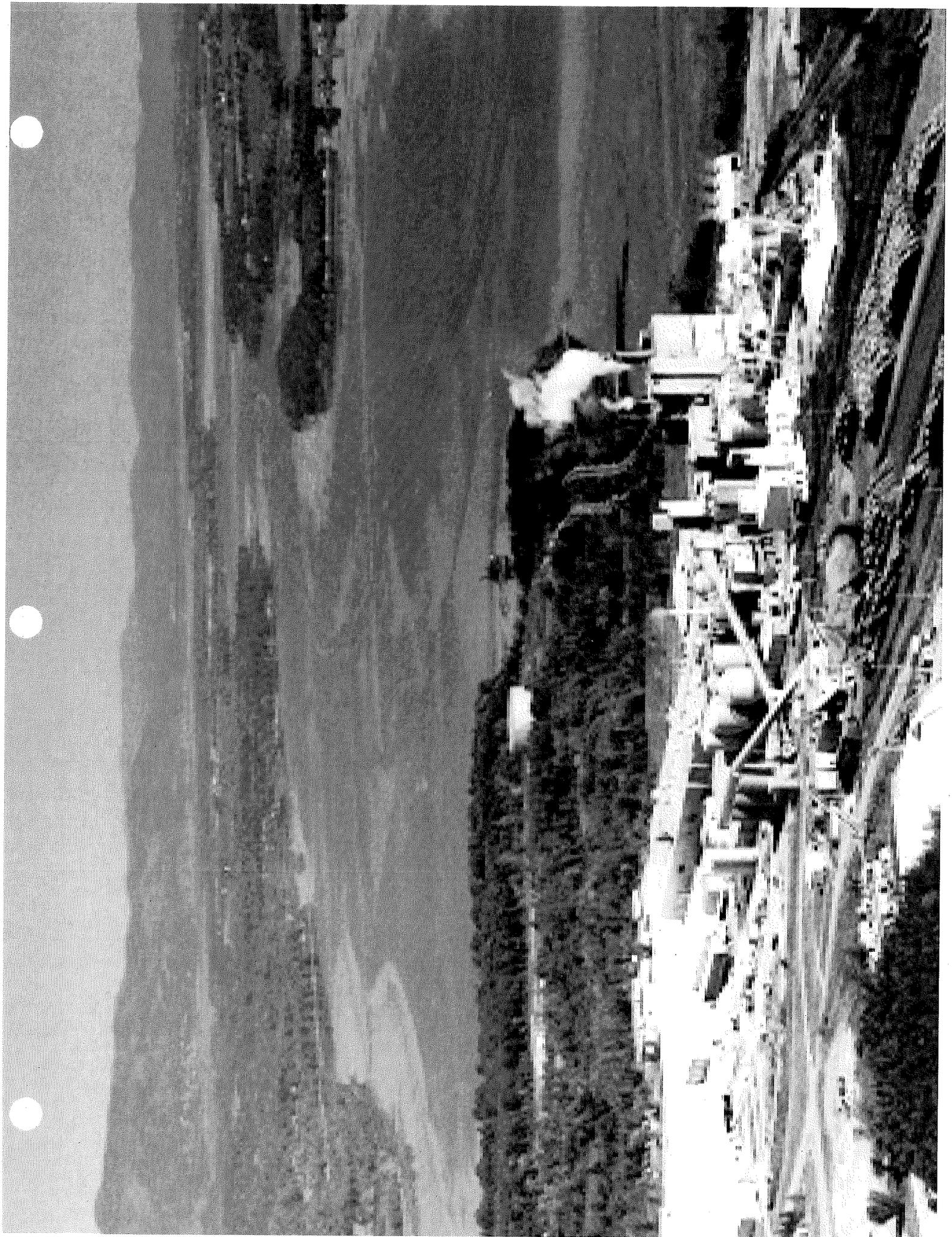
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of

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**

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Priority Project - Utica (Mohawk Valley Region – Oneida County) – Primo Property Management Phase I Capital – Regional Council Capital Fund (Capital Grant)

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

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**General Project Plan**

**I. Project Summary**

**Grantee:** Primo Property Management LLC (“Company”)

**ESD\* Investment:** A grant of up to \$400,000 to be used for a portion of the cost of building renovation and construction

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

**Project Location:** 520 Seneca Street, Utica, Oneida County

**Proposed Project:** Phase I building rehabilitation including the demolition of interior walls and subdivisions, mold and asbestos remediation, HVAC repair and the restoration and strengthening of the exterior façade

**Project Type:** Building renovation and rehabilitation

**Regional Council:** The project is consistent with the Mohawk Valley Regional Economic Development Council’s Plan to make building rehabilitation investments and use the existing infrastructure in the region.

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Demolition and Remediation	\$400,000
Construction/Renovation	1,465,000
Planning and Feasibility Studies	<u>135,000</u>

Total Project Costs \$2,000,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$400,000	20%
Company Equity	<u>1,600,000</u>	<u>80%</u>
Total Project Financing	<u>\$2,000,000</u>	<u>100%</u>

## III. Project Description

### A. Company

- Industry:** The Company manages and rehabilitates property for economic development.
- Company History:** The Company was formed in 2001 by the Pezzolanella family to purchase, renovate and manage income producing real estate.
- Ownership:** The Company is privately owned.
- Size:** All facilities are located in Central New York and the Mohawk Valley.
- Market:** The Company serves tenants under a planned process for long term success of both the property and the tenants that occupy the property.
- ESD Involvement:** The Company identified an issue in the Utica area where thousands of college educated individuals move to other cities, which results in businesses closing, slow job growth and many unbought properties. In an effort to increase the number of downtown residents, the Company proposed entering into a public-private partnership to rehabilitate the landmark former HSBC Building (the "Building") located in downtown Utica.
- The Company applied through Round 3 of the Consolidated Funding Application ("CFA") to rehabilitate the Building and was awarded \$400,000 for this project.
- Competition:** N/A

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

B. The Project

Completion: June 2014

Activity: The Company has completed the Phase I rehabilitation of the Building, an 80,000-square-foot, three-story, vacant building. Phase I included demolition, remediation, construction and renovation. The first floor will house a foodservice outlet, along with multiple commercial tenant spaces. The second and third floors will include 25 loft style urban apartments. The Building will feature energy efficient systems and a green space roof.

Results: The Company has completed Phase 1 of the building rehabilitation. The building will be for young professionals who are looking for quality, energy efficient housing and a walkable urban environment.

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.

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 \$120,722;
- Fiscal cost to NYS government is estimated at \$400,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.30:1;
- Fiscal benefits to all governments (state and local) are estimated at \$206,621;
- Fiscal cost to all governments is \$400,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.52:1;

- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$1,483,387;
- The economic benefit to cost ratio is 3.71:1;
- Project construction cost is \$2,000,000 which is expected to generate 23 direct job years and 10 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: Francis Pezzolanella, Member  
 421 Broad Street, Suite #1  
 Utica, NY 13501  
 Phone: (315) 679-5397

ESD Project No.: Y806

Project Team:	Origination	Joseph Falcone
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$400,000 capital grant (\$4,000) 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. Up to \$400,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials with documentation verifying project expenditures of approximately \$2,000,000, 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 February 5, 2014, 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 \$400,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2013-14 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, 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 & Contractor and Supplier Diversity policy will apply to the project. The Company shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 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 Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

July 16, 2015

Regional Council Award – Priority Project - Utica (Mohawk Valley Region – Oneida County) – Primo Property Management Phase I Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Primo Property Management Capital Project – 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 Primo Property Management LLC a grant for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

\* \* \*

July 16, 2014

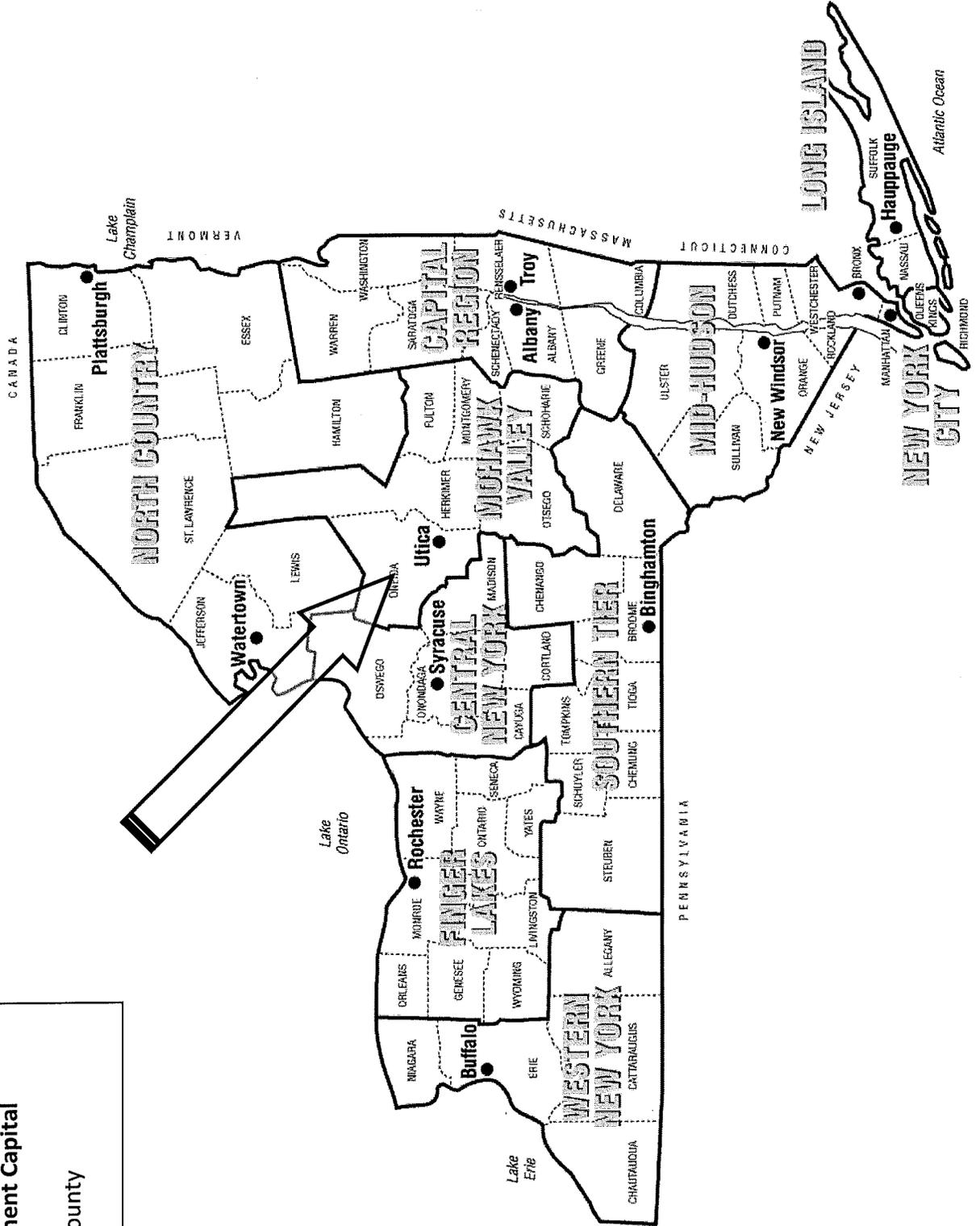
**Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Primo Property Management Phase I Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment**

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**RESOLVED, that based on the material submitted to the Directors with respect to the Primo Property Management Phase I Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.**

**\* \* \***

**Primo Property  
Management Capital  
Utica  
Oneida County**



**Project Summary  
Benefit-Cost Evaluation<sup>1</sup>**

**Economic Growth Project  
Primo Property Management LLC**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

**Construction Job Years (Direct): 23**  
**Construction Job Years (Indirect): 10**

<b>Evaluation Statistics</b>	<b>Project Result NYS Govt.</b>	<b>NYS Govt. Benchmarks for ESD Projects<sup>2</sup></b>	<b>Project Results State &amp; Local Governments</b>	<b>State &amp; Local Government Benchmarks for ESD Projects</b>
<b>Fiscal Costs<sup>3</sup></b>	\$400,000	\$794,250	\$400,000	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$120,722	\$2,085,600	\$206,621	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.30	3.00	0.52	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits<sup>5</sup></b>	\$1,483,387	\$119,468,000		
<b>Economic B/C Ratio</b>	3.71	30.00		

<sup>1</sup> Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

<sup>2</sup> The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

<sup>3</sup> Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

<sup>4</sup> Fiscal benefits are the loan repayments and tax revenues to New York State and local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

<sup>5</sup> Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

Primo Property Management Phase I Capital

BEFORE



AFTER





**FOR CONSIDERATION**

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Primo Property Management Phase II Capital – Regional Council Capital Fund (Capital Grant)

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

---

**General Project Plan**

**I. Project Summary**

**Grantee:** Primo Property Management, LLC (“Primo” or the “Company”)

**ESD\* Investment:** A grant of up to \$800,000 to be used for a portion of the costs of building renovation and construction costs.

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

**Project Location:** 520 Seneca Street, Utica, Oneida County

**Proposed Project:** Phase II rehabilitation of the former HSBC building ("Building") on Genesee Street, which will include a fourth floor addition to an 80,000-square-foot, three-story building in downtown Utica.

**Project Type:** Building renovation and rehabilitation

**Regional Council:** The priority project is consistent with the Mohawk Valley Regional Economic Development Council’s Plan to make building rehabilitation investments and use the existing infrastructure in the region.

**II. Project Cost and Financing Sources**

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	<u>\$4,000,000</u>
<b>Total Project Costs</b>	<b><u>\$4,000,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$800,000	20%	
Bank Financing	2,800,000	70%	4.75%/15yrs/1 <sup>st</sup> lien on RE
Company Equity	<u>400,000</u>	<u>10%</u>	
<b>Total Project Financing</b>	<b><u>\$4,000,000</u></b>	<b><u>100%</u></b>	

**III. Project Description**

**A. Company**

- Industry:** The Company manages and rehabilitates property for economic development.
- Company History:** The Company was formed in 2001 by the Pezzolanella family to purchase, renovate and manage income-producing real estate.
- Ownership:** Primo is privately owned.
- Size:** All facilities are located in Central New York and the Mohawk Valley.
- Market:** The Company serves tenants under a planned process for long term success of both the property and the tenants that occupy the property.
- ESD Involvement:** Primo identified an issue in the Utica area where thousands of college educated individuals move to other cities, which results in businesses closing, slow job growth and many unbought properties. In an effort to increase the number of downtown residents, the Company proposed entering into a public-private partnership to rehabilitate the landmark HSBC Building located in downtown Utica.

The Company first applied through Round 3 of the Consolidated Funding Application ("CFA") to rehabilitate the Building and was awarded \$400,000 for Phase I of the project. Phase I consisted of demolition, repair, and the restoration and strengthening of the exterior façade. Phase I was completed in June 2014.

Primo also applied through Round 4 of the CFA for Phase II rehabilitation of the Building and was awarded an additional \$800,000 to fund the project. Phase II included a fourth floor addition to the three-story building, a restaurant and roof patio, and related systems upgrade. Phase II is expected to be completed in 2015.

Competition: N/A

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

B. The Project

Completion: December 2015

Activity: The project involved Phase II rehabilitation which included the construction of a 4th floor, mechanical/electrical/plumbing systems, restaurant and roof patio, glass/glazing, sprinkler system, elevators, interior heated parking and new roof.

Results: The Company has completed Phases I and II of the building rehabilitation. The building will be for young professionals who are looking for quality, energy efficient housing and a walkable urban environment.

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.

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 \$235,897;
- Fiscal cost to NYS government is estimated at \$800,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.29:1;
- Fiscal benefits to all governments (state and local) are estimated at \$403,748;

- Fiscal cost to all governments is \$800,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.50:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$2,898,614;
- The economic benefit to cost ratio is 3.62:1;
- Project construction cost is \$4,000,000 which is expected to generate 44 direct job years and 20 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: Francis Pezzolanella,  
421 Broad Street, Suite 1  
Utica, NY 13501  
Phone: (315) 679-5397

ESD Project No.: Z660

Project Team:	Origination	Joseph Falcone
	Project Management	Jillian Drummond
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$800,000 capital grant (\$8,000) 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. Up to \$800,000 will be disbursed to Grantee in lump sum upon completion of the project substantially as described in these materials, as evidenced by a certificate of

occupancy, and documentation verifying project expenditures of approximately \$4,000,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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. 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 2014-2015 New York State budget and reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

ESD staff has determined that, 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 & Contractor and Supplier Diversity policy will apply to the project. The Company shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 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 Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

July 16, 2015

Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Primo Property Management Phase II Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Primo Property Management Phase II 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 Primo Property Management, LLC a grant for a total amount not to exceed Eight Hundred Thousand Dollars (\$800,000) 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.

\* \* \*

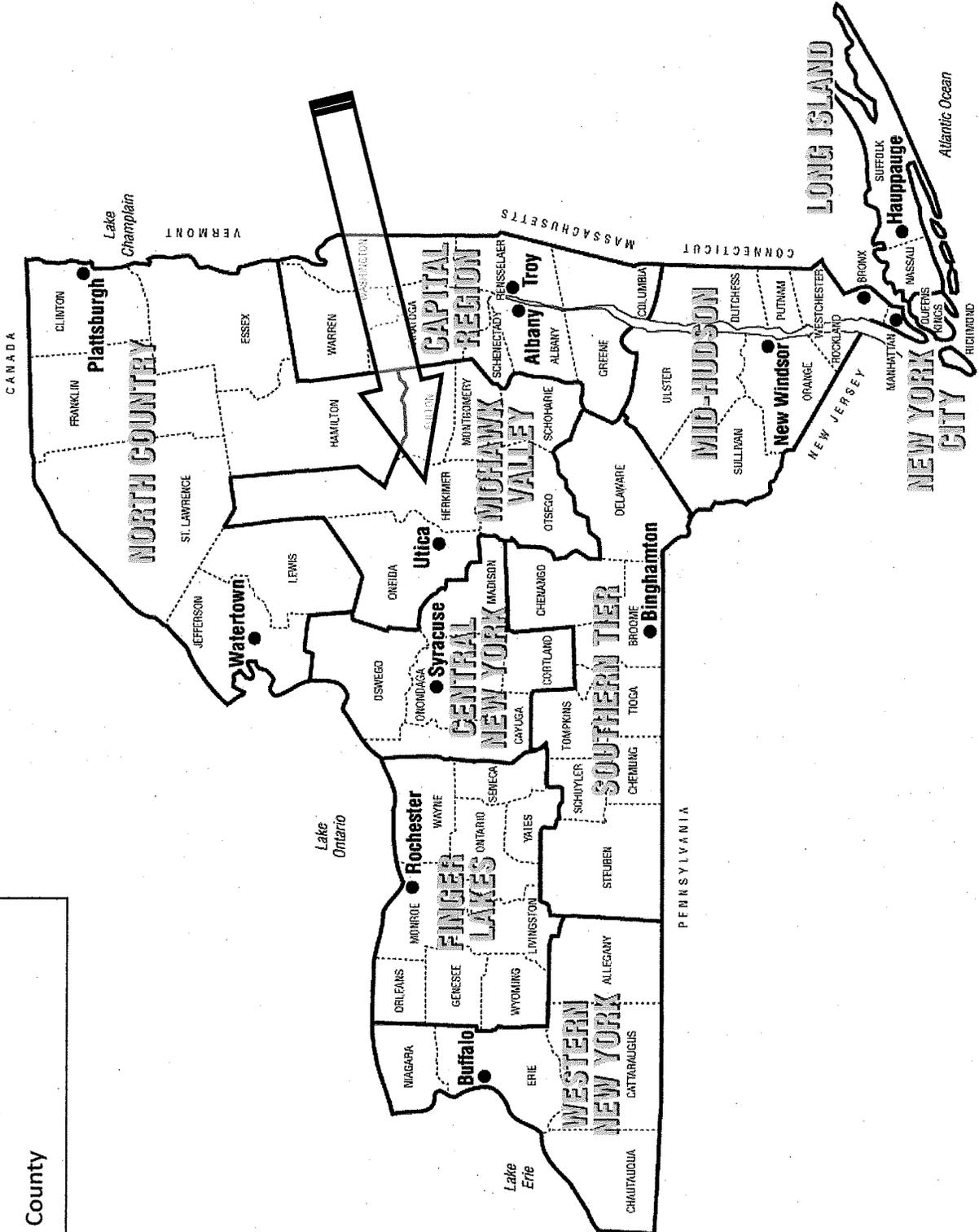
Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Primo Property Management Phase II Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Primo Property Management Phase II Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

**Primo Property Management Capital**  
Utica  
Herkimer County



**Project Summary  
Benefit-Cost Evaluation<sup>1</sup>**

**Economic Growth Project  
Primo Property Management – Former HSBC Phase II**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

**Construction Job Years (Direct): 44**  
**Construction Job Years (Indirect): 20**

<b>Evaluation Statistics</b>	<b>Project Result NYS Govt.</b>	<b>NYS Govt. Benchmarks for ESD Projects<sup>2</sup></b>	<b>Project Results State &amp; Local Governments</b>	<b>State &amp; Local Government Benchmarks for ESD Projects</b>
<b>Fiscal Costs<sup>3</sup></b>	\$800,000	\$794,250	\$800,000	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$235,897	\$2,085,600	\$403,748	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.29	3.00	0.50	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits<sup>5</sup></b>	\$2,898,614	\$119,468,000		
<b>Economic B/C Ratio</b>	3.62	30.00		

<sup>1</sup> Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

<sup>2</sup> The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

<sup>3</sup> Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

<sup>4</sup> Fiscal benefits are the loan repayments and tax revenues to New York State and local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

<sup>5</sup> Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

Primo Property Management Phase I and Phase II Capital

BEFORE



AFTER





FOR CONSIDERATION

July 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Utica Coffee Roasting, Inc. 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: Utica Coffee Roasting , Inc. (“Utica Cofee” or the “Company”)

ESD\* Investment: A grant of up to \$150,000 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: 117 Hotel Street, Utica, Oneida County

Proposed Project: Renovation for manufacturing, warehousing, packaging and distribution of roasted coffee

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

Regional Council: The project is consistent with the Mohawk Valley Regional Economic Development Council’s Plan to leverage business, industry and employment concentrations with high growth potential.

Employment: Initial employment at time of ESD Incentive Proposal: 4  
 Current employment level: 11  
 Minimum employment on January 1, 2019: 14

**II. Project Cost and Financing Sources**

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$165,000	
Infrastructure/Site Work	5,000	
Machinery and Equipment Acquisition	300,000	
Furniture, Fixtures and Equipment	<u>50,000</u>	
<b>Total Project Costs</b>	<b><u>\$520,000</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	
ESD-Grant	\$150,000	24%
Company Equity	<u>370,000</u>	<u>76%</u>
<b>Total Project Financing</b>	<b><u>\$520,000</u></b>	<b><u>100%</u></b>

**III. Project Description**

**A. Company**

**Industry:** Manufacturer/Distributor of roasted coffee

**Company History:** Utica Coffee was founded in 2002 with the purchase of its facility in Utica.

**Ownership:** Utica Coffee is privately owned.

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

**Market:** Utica Coffee is a local distributor of coffee produced from around the world.

**ESD Involvement:** Utica Coffee submitted a proposal under Round 3 of the Consolidated Funding Application ("CFA") to assist with the renovation and purchase of equipment for a new facility. As a result of the Governor's Regional Economic Development Council Initiative, the Company was awarded \$150,000 through the CFA to assist with this priority project.

**Competition:** N/A

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

**B. The Project**

**Completion:** October 2014

**Activity:** The Company has purchased, renovated and equipped a 3,720-square-foot building in Utica. The facility will support new customer demand for coffee and sales growth.

**Results:** Retain 4 existing jobs and created 10 new jobs. The Company has already created 5 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 \$193,904;
- Fiscal cost to NYS government is estimated at \$150,000;
- Project cost to NYS government per direct job is \$21,516;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$11,564;
- Ratio of project fiscal benefits to costs to NYS government is 1.29:1;
- Fiscal benefits to all governments (state and local) are estimated at \$310,480;
- Fiscal cost to all governments is \$150,000;
- All government cost per direct job is \$21,516;
- All government cost per total job is \$11,564;
- The fiscal benefit to cost ratio for all governments is 2.07:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$2,479,588, or \$191,153 per job (direct and indirect);
- The economic benefit to cost ratio is 16.53 :1;
- Project construction cost is \$170,000 which is expected to generate two direct job year and one indirect job year of employment;

- For every permanent direct job generated by this project, an additional 0.87 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is six year.

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

Grantee Contact: Frank E. Elias III, President  
 92 Genesee Street  
 Utica, NY 13502  
 Phone: (315) 269-8898

ESD Project No.: Y887

Project Team:	Origination	Kenneth Tompkins
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$150,000 capital grant (\$1,500) 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 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 \$150,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$75,000) upon completion of the project as described in these materials, a Certificate of Occupancy, project costs totaling \$370,000, including purchase and installation of \$150,000 in machinery and equipment, and documentation of the employment of at least 4 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 (\$37,500) will be disbursed upon documentation of the employment of at least 9 Full-time Permanent Employees at the Project Location (Employment Increment of 5), additional machinery and equipment project costs totaling \$150,000, provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$37,500) will be disbursed upon documentation of the employment of at least 14 Full-time Permanent Employees at the Project Location (Employment Increment of 5), 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 November 20, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2020.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$150,000, 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	4
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A	B
Reporting Date	Employment Goals
February 1, 2016	4+X+Y
February 1, 2017	4+X+Y
February 1, 2018	4+X+Y
February 1, 2019	4+X+Y
February 1, 2020	4+X+Y
February 1, 2021	4+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=5, and Employment Goals shall equal  $[4 + X = 9]$  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 C.5 above (i.e. Y=5, and Employment Goals shall equal  $[4 + X + Y = 14]$  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.

#### 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 the 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. Utica Coffee 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 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

Resolution  
New York State Map  
Benefit-Cost Analysis  
Project Photographs

July 16, 2015

Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Utica Coffee Roasting, Inc. Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Utica Coffee Roasting, Inc. 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 Utica Coffee Roasting, Inc. a grant for a total amount not to exceed One Hundred and Fifty Thousand Dollars (\$150,000) 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

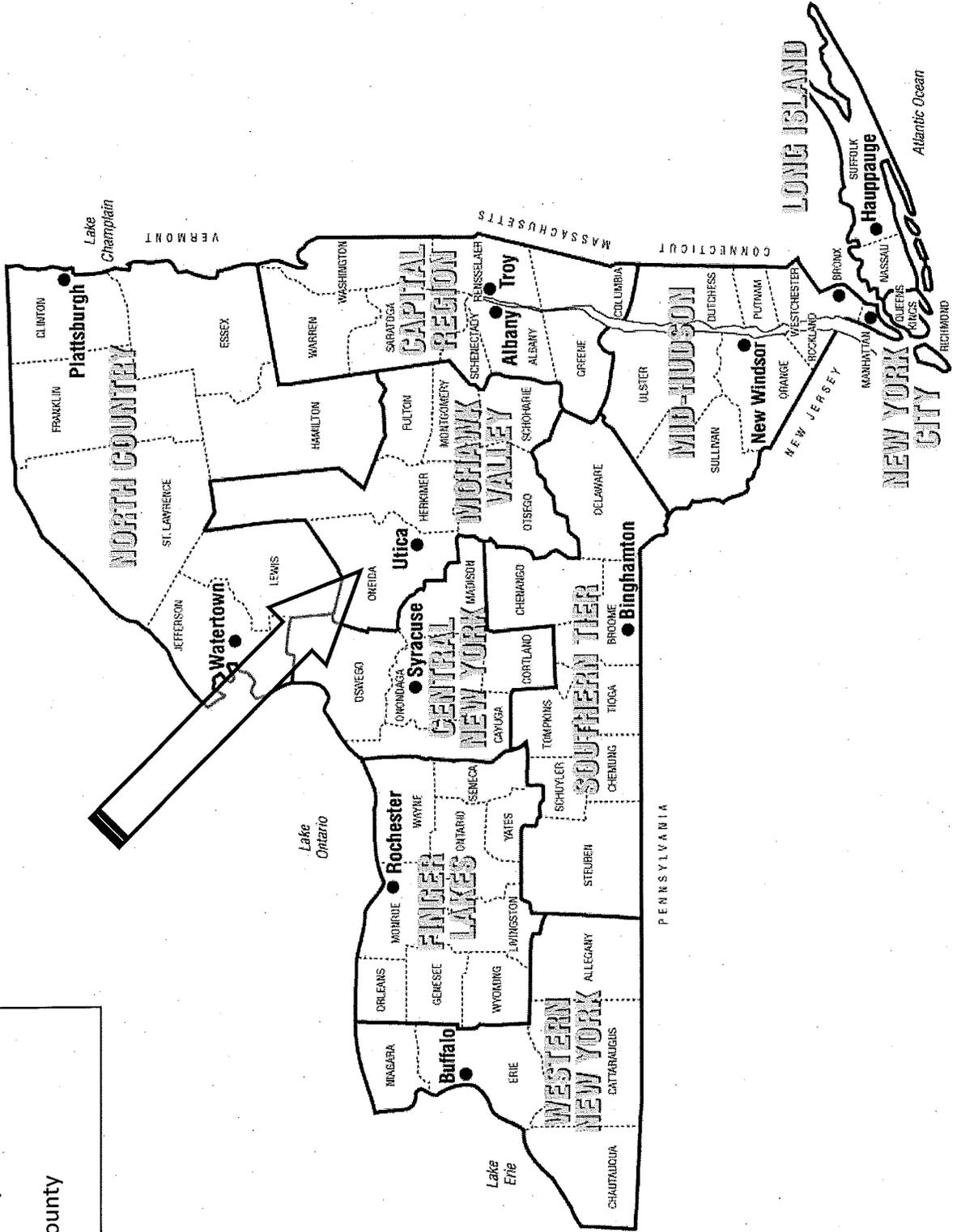
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

\* \* \*

**Utica Coffee Roasting**  
**Company Capital**  
 Utica  
 Oneida County



## Project Summary Benefit-Cost Evaluation<sup>1</sup>

### Utica Coffee Roasting, Inc. – Business Investment

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

<b>Initial Jobs:</b>	4	<b>Construction Job Years (Direct):</b>	2
<b>New Jobs:</b>	10 over three years	<b>Construction Job Years (Indirect):</b>	1

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks <sup>2</sup>	Project Results State & Local Government	State & Local Government Benchmarks
<b>Fiscal Costs<sup>3</sup></b>	\$150,000	\$794,250	\$150,000	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$193,904	\$2,085,600	\$310,480	\$4,271,980
<b>Fiscal Cost /Direct Job</b>	\$21,516	\$3,000	\$21,516	\$4,110
<b>Fiscal Cost/Total Jobs</b>	\$11,564	\$1,424	\$11,564	\$1,964
<b>Fiscal B/C Ratio</b>	1.29	7.00	2.07	10.60
	Project Results	Benchmarks		
<b>Economic Benefits<sup>5</sup></b>	\$2,479,588	\$119,468,000		
<b>Econ. Benefits/Total Jobs</b>	\$191,153	\$147,600		
<b>Economic B/C Ratio</b>	16.53	75.00		

<sup>1</sup> Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

<sup>2</sup> The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 75.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 30.00 (Economic).

<sup>3</sup> Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

<sup>4</sup> Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

<sup>5</sup> Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.

**Utica Coffee Roasting, Inc. Capital**



**FOR CONSIDERATION**

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Plainview (Long Island Region – Nassau County) – Advanced Manufacturing Composites Working Capital – Economic Development Purposes Fund (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

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**I. Project Summary**

**Grantee:** The Long Island Forum for Technology (“LIFT”)

**ESD\* Investment:** A grant of up to \$136,000 to be used for a portion of the cost of developing a curriculum in composites and advanced manufacturing, and to provide workforce training

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

**Project Location:** 121 Express Street, Plainview, Nassau County

**Proposed Project:** Curriculum development, project management, training costs, and purchase of equipment and software to provide Long Island manufacturers’ employees with training in composites and advanced manufacturing

**Project Type:** Working capital investment in workforce training program

**Regional Council:** The project is consistent with the Long Island Regional Economic Development Council’s plan to retain and create jobs by establishing mechanism to train and prepare workers to respond to the challenges of a hi-tech, globally competitive economy.

**Number of Trainees:** 25

**II. Project Cost and Financing Sources**

<u>Financing Uses</u>	<u>Amount</u>
Training curriculum Development	\$5,000
Four year Project Management	25,000
Employee Training Costs	104,000
Lease Training Facilities	6,000
Trainee Release Time	75,000
Equipment & Software Acquisition	<u>30,000</u>
<b>Total Project Costs</b>	<b><u>\$245,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	136,000	55%
Company Equity & In-Kind Contributions	<u>109,000</u>	<u>45%</u>
<b>Total Project Financing</b>	<b><u>\$245,000</u></b>	<b><u>100%</u></b>

**III. Project Description**

**A. Company**

**Industry:** LIFT is an economic development organization focused on the advancement of science and technology-based industries in the Long Island region

**Company History:** Formed in June 1976, LIFT was created with the purpose of providing businesses with networking opportunities, access to enabling technologies, hands-on assistance and a wide range of programs directed at creating an environment for innovation, lowering the cost of operations and increasing growth in Long Island. LIFT has worked closely with the NYS Foundation for Science, Technology and Innovation ("NYSTAR"), NYS Department of Labor ("DoL"), the Morrelly Center for Homeland Security, and the Greater Long Island Clean Cities Coalition ("GLICCC").

In 2012, LIFT established the Composite Prototyping Center ("CPC"), a manufacturing innovation center focused on advanced composite manufacturing technologies. CPC is staffed by leading experts in the field of composites and it is equipped with state-of-the-art manufacturing equipment.

**Ownership:** LIFT is a not-for-profit organization.

**Size:** LIFT headquarters is located in Bethpage, NY. CPC facility is located in Plainview, NY.

**Market:** LIFT provides services to for-profit and not-for-profit businesses to train incumbent workers.

**ESD Involvement:** As a result of the Governor's Regional Economic Development Council Initiative, the Long Island Forum for Technology ("LIFT") was awarded \$136,000 through Round 1 of the Consolidated Funding Application ("CFA") process to assist with working capital expenses to provide workforce training in occupational skills needed by a business or industry.

**Competition:** N/A

**Past ESD Support:** No funding awarded for the past five years to the Grantee.

**B. The Project**

**Completion:** June 2016

**Activity:** LIFT provides workforce training to Long Island workers at the Composite Prototyping Center located in Plainview. CPC offers a number of courses including:

- Introduction to Composite Technology - Designed to provide basic knowledge needed to understand the fundamentals of composite materials, processes and design.
- Computer Aided Three-dimensional Interactive Application ("CATIA") Computer training - Emphasizes 3-D graphics using CATIA software for the design and analysis of structures.
- Composite Technician Certification Program - Extensive course designed to develop and to certify participants in composite fabrication processes, materials and equipment usage.

The 25,000-square-foot facility is comprised of an advanced prototype production floor with state-of-the art equipment including: vacuum assisted resin transfer molding system, compression molding heated presses, hot air ovens, high pressure/high temp autoclaves, and automated fiber placement-robotic cell with thermoset and thermoplastic heads. CPC also includes automated single ply cutter with part shape laser projection, hand layup area, test and inspection cell, composite design and analysis tools integrated with production equipment, and seats of CAD/CAM software. The Center is staffed with leading experts in the field of composites including college professors,

technicians and CPC staff.

**Results:** After completion of the training program, the Composite Prototyping Center would have trained a minimum of 25 individuals from Long Island manufacturers. Upon completion of the Project, the Long Island Forum for Technology will furnish a final report describing the impact and effectiveness of the Project.

**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:** William Wahlig, Executive Director  
510 Grumman Road West  
Bethpage, NY 11714  
Phone: (631) 846-2760

**ESD Project No.:** X777

<b>Project Team:</b>	Origination	Barry Greenspan
	Project Management	Javier Roman-Morales
	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 \$136,000 working capital grant (\$1,360).
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 acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$136,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 25% of the grant (\$34,000) upon documentation of Training Curriculum Development contractual services costs and

equipment/software purchase totaling at least \$35,000, selection of a training vendor and documentation of training of a minimum of 6 employees of Long Island manufacturing companies, as demonstrated by receipt of a Certificate of Completion in the operational usage of composite equipment and employee release time totaling \$18,000, 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 (\$34,000) will be disbursed upon documentation of additional contractual services costs of at least \$70,000 (\$105,000 cumulatively) and documentation of training of a minimum of 15 additional employees of Long Island manufacturing companies (21 cumulatively), as demonstrated by receipt of a Certificate of Completion in the Operational usage of composite equipment and employee release time totaling \$36,000 (\$54,000 cumulatively), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 50% of the grant (\$68,000) will be disbursed upon evidence that recipient has incurred additional project costs of \$35,000 (\$140,000 cumulatively), documentation of training of 4 additional employees (25 cumulatively), as demonstrated by receipt of a Certificate of Completion in the operational usage of composite equipment and employee release time totaling \$21,000 (\$75,000 cumulatively), and submission of a final report, 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 April 9, 2012, to be considered eligible project costs. No single employer may represent more than 50% of the individuals trained through the Advanced Manufacturing Composites Training project. Up to 50% of the trained individuals may be dislocated workers. All disbursements must be requested by April 1, 2017.

- 5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$136,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### IV. Statutory Basis – Economic Development Purposes 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 the project 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 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 20% 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

Resolution  
New York State Map

July 16, 2015

Regional Council Award – Plainview (Long Island Region – Nassau County) – Advanced Manufacturing Composites Working Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Advanced Manufacturing Composites Training -- Economic Development Purposes Fund 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 The Long Island Forum for Technology a grant for a total amount not to exceed One Hundred and Thirty-Six Thousand Dollars (\$136,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

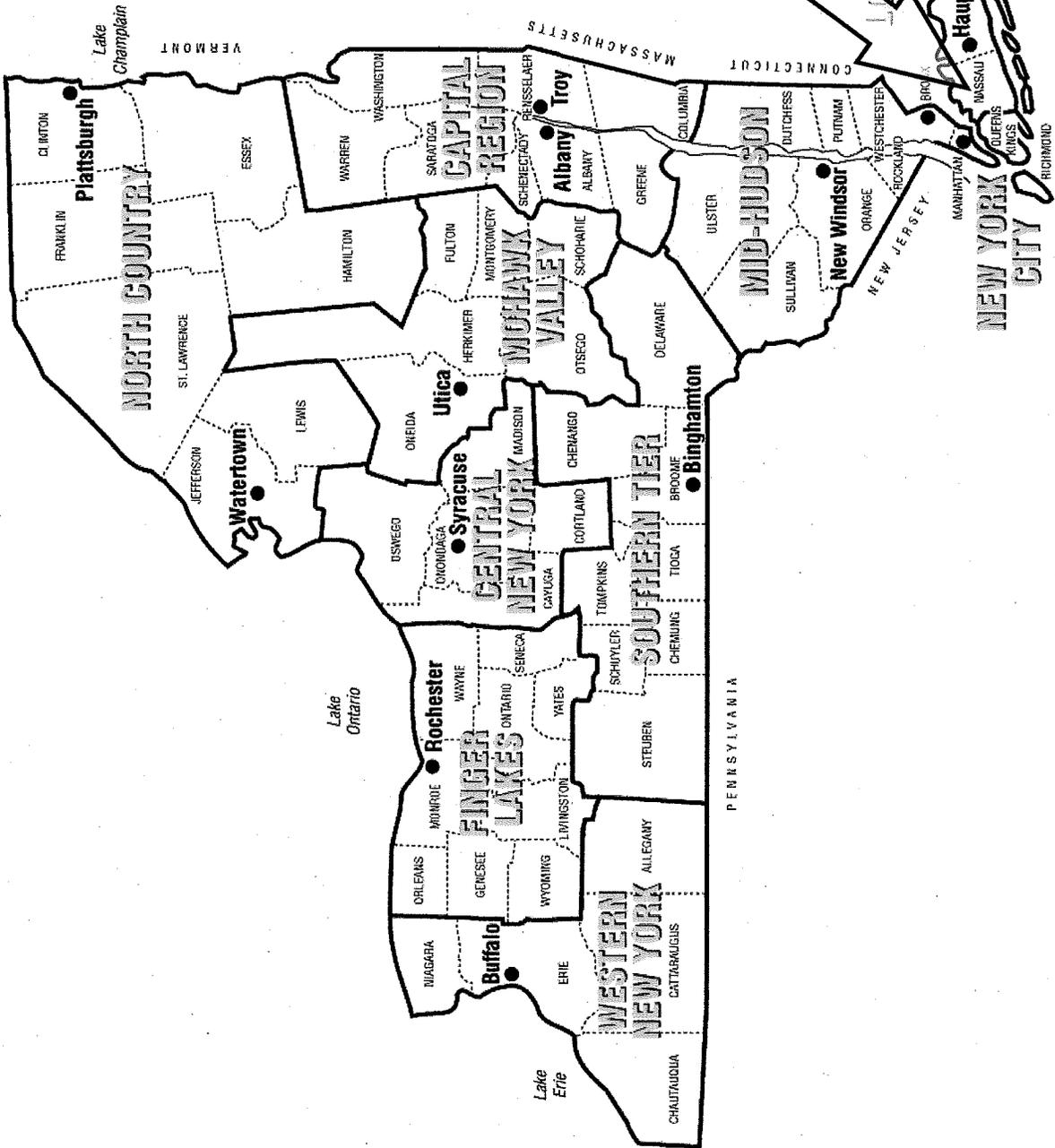
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

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

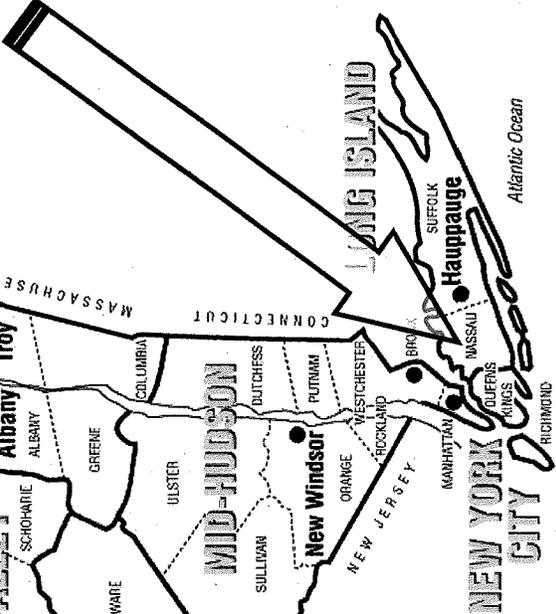
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary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

\* \* \*

CANADA



Advance Manufacturing Composites  
 Training  
 Plainview  
 Nassau County





FOR CONSIDERATION

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Priority Project – Hempstead (Long Island Region – Nassau County) – Hofstra North Shore LIJ School of Medicine Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

**Grantee:** Hofstra University (“Hofstra” or the “University”)

**Beneficiary:** Hofstra North Shore LIJ School of Medicine (the “School of Medicine” or the “Organization”)

**ESD\* Investment:** A grant of up to \$152,417 to be used for a portion of the cost of the purchase of furniture, fixtures and equipment

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

**Project Location:** 240 Hofstra University Swim Center, Hempstead, Nassau County

**Proposed Project:** Support of Hofstra University's Medical Scholar's Pipeline Program, an education and mentoring initiative designed to expose and support under-represented minority students from disadvantaged communities in the field of science and healthcare.

**Project Type:** Equipment acquisition for education and mentorship

Regional Council: The project is consistent with the Long Island Regional Economic Development Council's ("LIREDC") Plan to support potentially high-skilled workers, including high-school students, for careers in science, technology, engineering and math. President Stuart Rabinowitz of Hofstra University is a co-chair of the 21-person LIREDC. In conformance with the State's policy, this individual has recused himself on votes recommending this project.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Furniture, Fixtures & Equipment	\$450,000	
Computers and Tablets	<u>152,417</u>	
Total Project Costs	<u>\$602,417</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$152,417	25%
Hofstra Equity	<u>450,000</u>	<u>75%</u>
Total Project Financing	<u>\$602,417</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Higher education

Grantee History: Founded in 1935, Hofstra University is a private, nonsectarian, coeducational institution of higher learning located in Hempstead, Long Island. The University offers approximately 145 undergraduate and 160 graduate programs of study. Hofstra University's Department of Engineering in the School of Engineering and Applied Science offers degree programs in biomedical, civil, electrical, industrial and mechanical engineering as well as degree programs in computer science.

Ownership: The University is a private educational institution.

Size: The University consists of 115 buildings located on a 240-acre campus. Approximately 1,150 faculty members work at the University with a total enrollment of approximately 11,000 students.

Beneficiary History: Founded in March 2008, the Hofstra North Shore-LIJ School of Medicine

is dedicated to inspiring diverse, promising students to lead and transform medicine for the betterment of humanity in a culture of community, scholarship and innovation. The Organization offers MD, MD/PhD, MD/MPH and PhD programs to incoming medical students and prepares them for the changing field of medicine through a team-based approach to training and patient care, including a program that focuses on the ability to problem-solve, think critically, and find information efficiently

Beneficiary

Ownership:

The School of Medicine is an academic unit of Hofstra University, which is a private educational institution.

Size:

The School of Medicine employs over 2,400 faculty members drawn from 25 departments. Annually, the Organization receives over 6,000 applicants.

Market:

The Organization serves medical students and students from local school districts.

ESD Involvement:

In March 2011, the School of Medicine recognized a need to address the regional shortage of technical talent in both the science and healthcare fields. Very few students from underserved communities embark on careers in medicine or other health sciences. To address this, the School of Medicine designed the Medical Scholar's Pipeline Program (the "Program") an innovative curriculum to educate academically talented, underrepresented and underserved students who are interested in the healthcare field. The program offers four years of training to provide students with fundamental academic tools including written and oral communication skills, SAT prep and exposure to the healthcare profession. The students would be able to receive firsthand experience in a hospital setting and perform research, in addition to working within the community.

In July 2012, Hofstra University applied for assistance on behalf of the School of Medicine under Round 2 of the Consolidated Funding Application to complete renovations, construction of new classrooms, and purchase computers and other technical tools for use on Hofstra's Campus which would be utilized for the Program. In March 2013, ESD made the University an offer of assistance which the University accepted in April 2013. Without ESD's assistance the project could not have moved forward.

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 or Job Requirement)	Purpose
Community Enhancement Facilities Assistance Program	W205	\$12,500,000	May 2011	December 2015	Capital Grant
New York State Economic Development Assistance Program	W269	\$12,500,000	October 2009	June 2013	Capital Grant
Regional Council Capital Fund	X652	\$1,000,000	January 2014	December 2017	Capital Grant
Regional Council Capital Fund-RC3	Y834/Y835	\$2,000,000	April 2015	December 2019	Capital Grant
Entrepreneurial Assistance Program	X145	\$73,500	August 2010	July 2011	Working Capital Grant
	X415	\$73,500	September 2011	September 2012	
	X844	\$99,593	November 2012	October 2013	
	Y529	\$74,207	November 2013	December 2014	
	Z219	\$88,000	May 2014	May 2015	

**B. The Project**

**Completion:** April 2015

**Activity:** The Project commenced in April 2013 and was completed in April 2015. A portion of the second floor of the Swim Center was totally renovated to accommodate students enrolled in the Medical Scholars Pipeline Program, and furniture and equipment have been purchased and installed in the renovated space. Technological devices for use by students enrolled in the curriculum, such as iPads and audiovisual equipment, have also been purchased.

**Results:** To date, one scholar is enrolled in Hofstra University's BS/MD program, one scholar is enrolled at the Sophie Davis School of Biomedical Education and another scholar will start the Sophie Davis School of Biomedical Education Program in the Fall of 2015.

**Grantee Contact:** Dr. Herman A. Berliner, Provost and Senior Vice President

Academic Affairs  
144 Hofstra University, 200 West Library Wing  
Hempstead, NY 11549

Phone: (516) 463-5402

ESD Project No.: Y371

Project Team:	Origination	Barry Greenspan
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Vikas Gera
	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 \$152,417 capital grant (\$1,524) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through 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 \$152,417 will be disbursed to Grantee in a lump sum upon completion of the project substantially as described in these materials and as evidenced by attainment of a Certificate of Occupancy for new classrooms, verification that all equipment has been provided to students, implementation of an adequate system for tracking and monitoring equipment utilization, and documentation of furniture, fixtures and equipment project costs totaling \$602,417, 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 11, 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 \$152,417, 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 project ends 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 project ends. 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 project ends 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 project ends in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the project ends in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the project ends in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the project ends 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

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 28% 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

Resolution  
New York State Map

July 16, 2015

Regional Council Award – Priority Project – Hempstead (Long Island Region – Nassau County) – Hofstra North Shore LIJ School of Medicine 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Hofstra North Shore LIJ School of Medicine 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 Hofstra University a grant for a total amount not to exceed One Hundred and Fifty-Two Thousand Four Hundred and Seventeen Dollars (\$152,417) 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

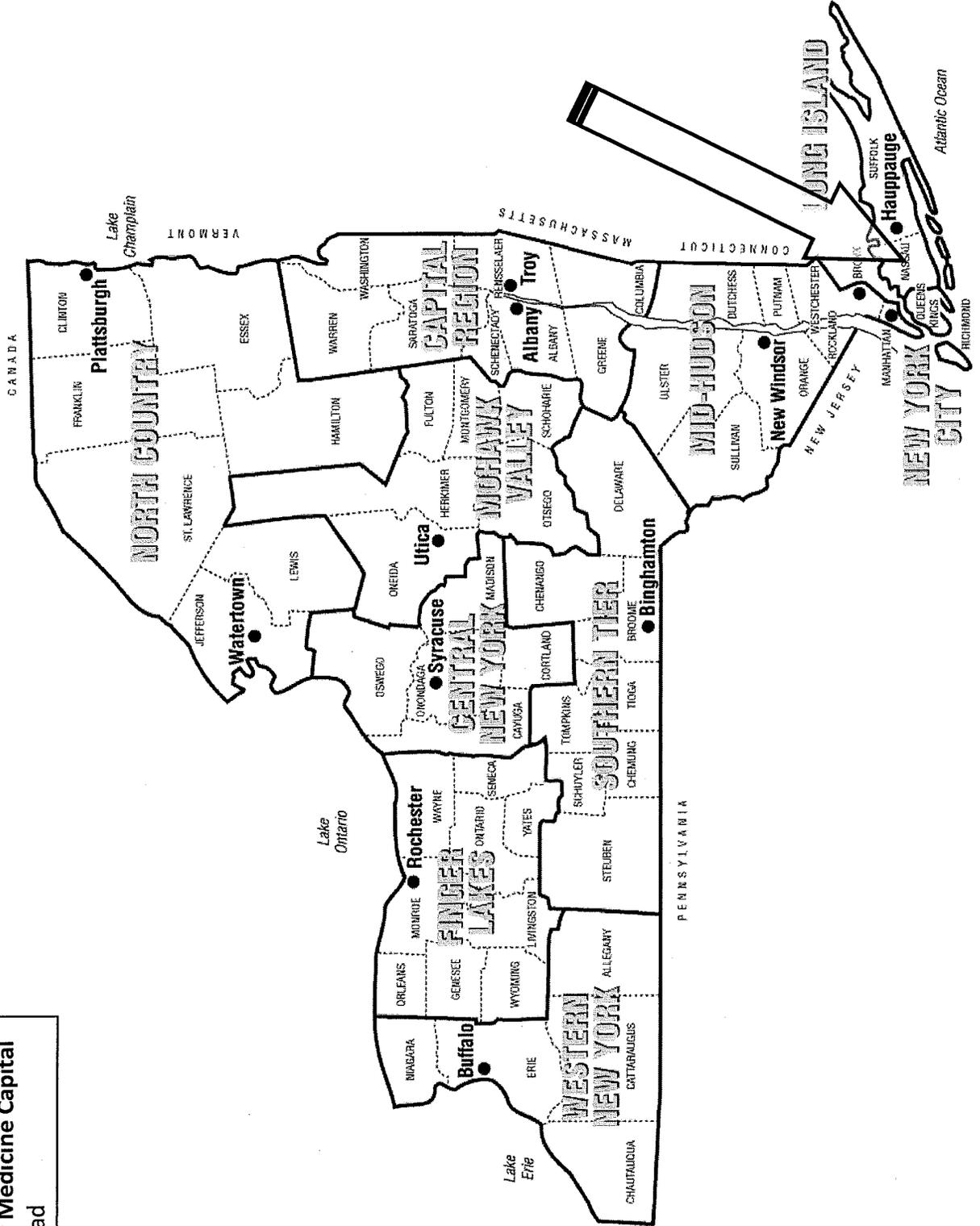
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

\* \* \*

Hofstra North Shore LIJ  
School of Medicine Capital  
Hempstead



**FOR CONSIDERATION**

**July 16, 2015**

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – 706 North Clinton Redevelopment Capital – Regional Council Capital Fund (Capital Grant)

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

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**General Project Plan**

**I. Project Summary**

**Grantee:** 706 North Clinton, LLC (“706 North” and the “Company”)

**ESD\* Investment:** A grant of up to \$500,000 to be used for a portion of the cost of building purchase, demolition and environmental remediation, and/or building renovation

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

**Project Location:** 706 North Clinton Street, Syracuse, Onondaga County

**Proposed Project:** Redevelopment of 706 North Clinton, which is located at the entry to the Syracuse Inner Harbor and Franklin Square neighborhoods

**Project Type:** Mixed-use real estate development

Regional Council: The project is consistent with the Central New York Regional Council Plan to strengthen industry focus, revitalize urban cores, main streets and neighborhoods.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Building Purchase	\$1,250,000
Building Renovation	6,129,396
Soft Costs	979,528
Demolition & Environmental Remediation	<u>515,930</u>
<b>Total Project Costs</b>	<b><u>\$8,874,854</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$500,000	6%	
Oneida Savings Bank Loan	3,250,000	37%	4.75%/20yrs/N/A
Oneida Preferred Funding Equity	4,824,854	54%	
National Grid Grant	<u>300,000</u>	<u>3%</u>	
<b>Total Project Financing</b>	<b><u>\$8,874,854</u></b>	<b><u>100%</u></b>	

III. Project Description

A. Company

Industry: Real estate

Company History: 706 North was formed in 2013 to develop a mixed-use office space housing financial and medical services for the surrounding community.

Ownership: The Company is privately held.

Size: All facilities in Syracuse, NY.

Market: The primary markets for the Company include companies in the financial services and medical industries.

ESD Involvement: In 2014, the Company purchased 706 North Clinton Street with a plan of turning it into commercial office space to support financial and medical firms. 706 North Clinton Street (the "Facility") is a non-descript industrial mixed-use facility, with a major portion of the building vacant and in

general disrepair. The Facility is located at the entry to the historic Inner Harbor/Franklin Square area and has the potential to serve as a gateway entrance to the area.

The re-development of the property will incur significant costs given the presence of asbestos, lead paint and existing underground storage tanks. It is anticipated that there will be extensive environmental remediation needed along renovation and construction.

As a result of the Governor's Regional Economic Development Council initiative, the Company was awarded a \$500,000 grant through Round 3 of the Consolidated Funding Application process to close a financing gap and allow the development of the first class facility with opportunities to attract and retain jobs in the financial services and medical industries. The Company would not be able to take on this project without ESD grant assistance.

Competition: N/A

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

Financial Analysis: 706 North Clinton, LLC is a start-up with limited financial history. Therefore, ESD cannot come to a conclusion as to its financial condition or its potential moving forward.

#### B. The Project

Completion: May 2015

Activity: The Company has purchased, renovated and equipped 56,675-square-foot industrial building located directly off of Route 81 in Syracuse. The facility is considered to have a progressive aesthetic with modern technology while honoring the building's industrial history. The facility will house medical facilities and financial services tenants.

Results: The renovation of 706 North Clinton will lead to the creation of 50 new jobs in the financial services industry over the next five years, will retain 100 jobs in downtown Syracuse and expand the number of jobs in the medical services industry.

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 \$413,406;
- Fiscal cost to NYS government is estimated at \$500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.88:1;
- Fiscal benefits to all governments (state and local) are estimated at \$731,801;
- Fiscal cost to all governments is \$500,000,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 1.55:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$5,333,021;
- The economic benefit to cost ratio is 11.32:1;
- Project construction cost is \$7,624,854 which is expected to generate 67 direct job years and 39 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Andrew Breuer, Board of Managers Member  
 148 Berwyn Avenue  
 Syracuse, NY 13204  
 Phone: (315) 420-7966

ESD Project No.: Y782

Project Team:	Origination	Ray Lawrence
	Project Management	Charise Liggins
	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 \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$500,000 will be disbursed to Grantee upon documentation of building purchase, demolition and environmental remediation, and/or building renovation project costs totaling \$8,136,400, and a Certificate of Occupancy 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 December 11, 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 \$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.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

#### IV. Statutory Basis – 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

The City of 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 to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on December 17, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

#### 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 23%. The overall goal shall include a Minority Business Enterprise Participation Goal of 13% and a Women Business Enterprise 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  
Benefit-Cost Analysis  
Project Photographs

July 16, 2015

Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondoga County) – 706 North Clinton Redevelopment 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 706 North Clinton Redevelopment 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 706 North Clinton, LLC 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.

\* \* \*

July 16, 2015

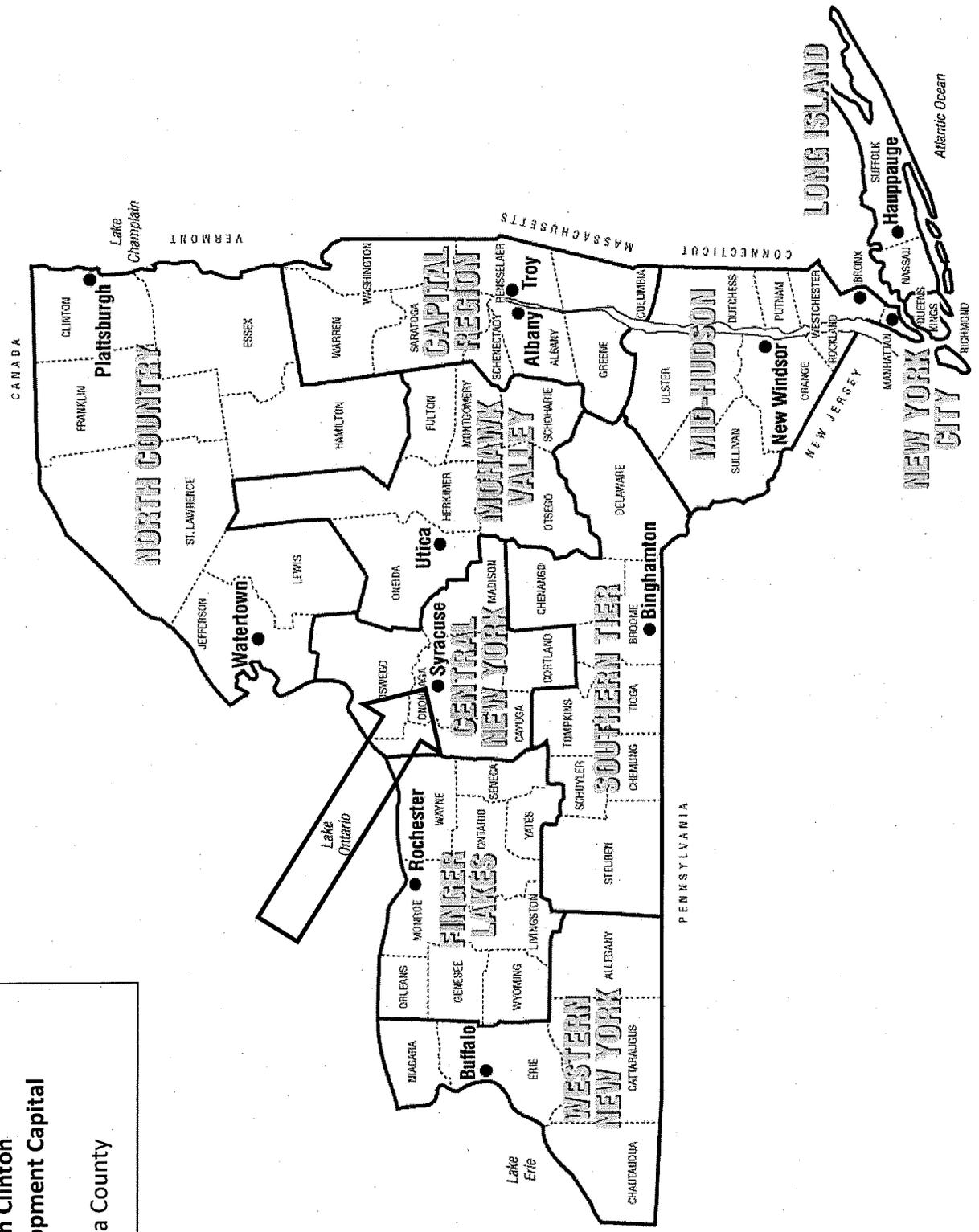
Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – 706 North Clinton Redevelopment Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the 706 North Clinton Redevelopment Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

706 North Clinton  
Redevelopment Capital  
Syracuse  
Onondaga County



**Project Summary  
Benefit-Cost Evaluation1**

**Economic Growth Project  
706 North Clinton, LLC**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

**Construction Job Years (Direct): 67**

**Construction Job Years (Indirect): 39**

<b>Evaluation Statistics</b>	<b>Project Result NYS Govt.</b>	<b>NYS Govt. Benchmarks for ESD Projects2</b>	<b>Project Results State &amp; Local Governments</b>	<b>State &amp; Local Government Benchmarks for ESD Projects</b>
<b>Fiscal Costs3</b>	\$500,000	\$794,250	\$500,000	\$1,020,500
<b>Fiscal Benefits4</b>	\$413,406	\$2,085,600	\$731,801	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.88	3.00	1.55	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits5</b>	\$5,333,021	\$119,468,000		
<b>Economic B/C Ratio</b>	11.32	30.00		

1 Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

2 The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

3 Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

4 Fiscal benefits are the loan repayments and tax revenues to New York State and local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

5 Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.









FOR CONSIDERATION

July 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Elmira (Southern Tier Region – Chemung County) – Hilliard Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: The Hilliard Corporation (“Hilliard” or the “Company”)

ESD\* Investment: A grant of up to \$145,000 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: 100 West 4<sup>th</sup> Street, Elmira, Chemung County

Proposed Project: Purchase and installation of machinery and equipment to improve manufacturing capability

Project Type: Business improvement involving job retention and creation

**Regional Council:** The project is consistent with the Southern Tier Regional Economic Development Plan to strengthen the Region’s advanced manufacturing industry which is one of its principal growth sectors.

Employment:	Initial employment at time of ESD Incentive Offer:	620
	Current employment level:	635
	Minimum employment on January 1, 2016:	627

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Machinery & Equipment	\$765,616	
Total Project Costs	<u>\$765,616</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$145,000	19%
Company Equity	<u>620,616</u>	<u>81%</u>
Total Project Financing	<u>\$765,616</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Manufacturer of engines, starters, filters and other motion control products

Company History: Founded in 1905, the Hilliard Corporation has evolved from a one-product business into a special-applications engineering company serving customers worldwide. The Company offers a broad line of motion control products, oil filtration and reclaiming equipment, starters for industrial gas and diesel engines, gas turbines, and plate and frame filter presses used in the food and beverage industry. The Company's filtration systems are sold under the trade names of Hilco and Star Filters.

Ownership: Privately owned.

Size: All facilities located in Elmira, NY.

Market: Hilliard serves the automotive industry

ESD Involvement: In June 2013, the Company sought to improve operations at its sole facility in Elmira. There was a need to compete in the "high temperature" replacement market in order to gain new business and larger customers and to remain competitive. Hilliard's current equipment did not allow them to be efficient in the assembly process. The Company needed to order new machinery and equipment to achieve this goal.

In August 2013, the Company applied under Round 3 of the Regional Council Consolidated Funding Application to close a funding gap in its budget. ESD identified the Company's project as a priority for the region, and in July 2014, ESD made Hilliard an offer of financial assistance, which the Company accepted in September 2014. ESD's grant was critical to the project's success.

Competition: N/A

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

B. The Project

Completion: April 2015

Activity: The Company replaced and upgraded a pleater machine and assembled equipment required to manufacture filter cartridges. Hilliard also purchased a new Epoxy Curing Oven and an assembly machine for its Elmira facility.

Results: Retain 620 existing jobs and create 7 new jobs. The Company has already created 10 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 \$179,871;
- Fiscal cost to NYS government is estimated at \$145,000;
- Project cost to NYS government per direct job is \$32,164;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$18,613;
- Ratio of project fiscal benefits to costs to NYS government is 1.24:1;

- Fiscal benefits to all governments (state and local) are estimated at \$301,625;
- Fiscal cost to all governments is \$145,000;
- All government cost per direct job is \$32,164;
- All government cost per total job is \$18,613;
- The fiscal benefit to cost ratio for all governments is 2.08:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$2,347,718, or \$301,372 per job (direct and indirect);
- The economic benefit to cost ratio is 16.19:1;
- Project construction cost is \$0, which is expected to generate 0 direct job years and 0 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.67 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is six year.

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

Grantee Contact: Lois J. Place, Vice President, Human Resources  
 100 West 4th Street  
 Elmira, New York 14901  
 Phone: (607) 733-7121

ESD Project No.: Z344

Project Team:	Origination	Joe Roman
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Geraldine Ford
	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 \$145,000 capital grant (\$1,450) 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 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 \$145,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$72,500) upon completion of the project substantially as described in these materials, documentation of machinery and equipment project costs totaling \$765,616, and documentation of the employment of at least 623 Full-time Permanent Employees at the Project Location (Employment Increment of 3) 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 (\$36,250) will be disbursed upon documentation of the employment of at least 626 Full-time Permanent Employees at the Project Location (Employment Increment of 3), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$36,250) will be disbursed upon documentation of the employment of at least 627 Full-time Permanent Employees at the Project Location (Employment Increment of 1), 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 11, 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 \$145,000, 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	620
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2016	620+X+Y+Z
February 1, 2017	620+X+Y+Z
February 1, 2018	620+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=3, and Employment Goals shall equal [620 + X = 623] 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=3, and Employment Goals shall equal [620 + X + Y = 626] 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 C.5 above (i.e. Z=1, and Employment Goals shall equal  $[620 + X + Y + Z = 627]$  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.

#### 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

Pursuant to New York State Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (MWBES) in the performance of ESD projects. For the 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

Resolution  
New York State Map  
Benefit-Cost Analysis

July 16, 2015

Regional Council Award – Priority Project – Elmira (Southern Tier Region – Chemung County) – Hilliard Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer 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 Hilliard Corporation a grant for a total amount not to exceed One Hundred and Forty-Five Thousand Dollars (\$145,000) 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

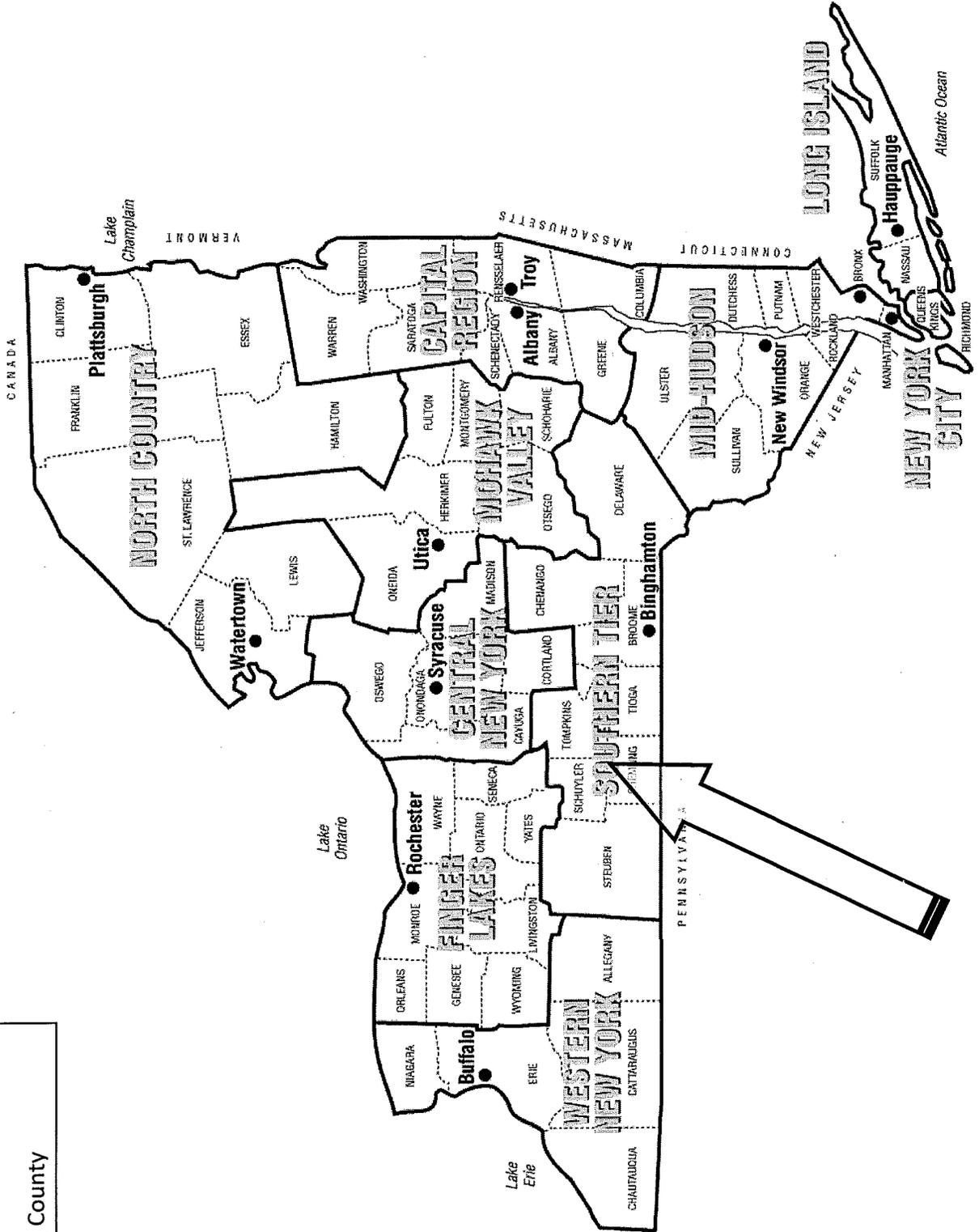
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

\* \* \*

Hilliard Capital  
Elmira  
Chemung County







**FOR CONSIDERATION**

July 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Market NY Grant Program – Regional Tourism Marketing Competition –  
Market New York Program (Working Capital Grants)

**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	Z152	New York Wine & Culinary Center	New York Wines Foods - The New American Classics Working Capital	62,154
B	Z601	Munson-Williams-Proctor Arts Institute	Monet to Matisse Working Capital	20,000
C	Z666	Long Island Arts Alliance, Inc.	Arts Alive Long Island Working Capital	150,000
D	Z668	Windham Area Recreation Foundation	Windham Mountain Bike World Cup Working Capital	247,875
E	Z687	Walkway Over the Hudson	Greater Walkway Experience Working Capital	189,000
F	Z724	The Wild Center	Next Generation of Adirondack Visitors Working Capital	372,000
G	Z736	Burchfield Penney Art Center	Traveling Exhibitions Program Working Capital	36,000
H	Z738	Mountain Lake PBS	Adirondack Journeys Working Capital	138,015
I	Z739	Genesee County Chamber of Commerce	Haunted History Trail of New York State Working Capital	40,000

**ESD\* Investment:** Up to a total of \$62,154 of \$10,000,000 in Market NY Round 3 Regional Tourism grant assistance and \$1,192,890 of the \$12,000,000 in Market NY Round 4 Regional Tourism grant to be used for tourism marketing and or tourism capital throughout various regions of New York State

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

Project Locations: Statewide - See Schedule A attached

Proposed Projects: See Schedule A attached

Regional Council: Each respective Regional Economic Development Council has been made aware of, and has endorsed, the relevant proposed projects.

Anticipated  
Appropriation  
Source(s): Market New York Program

## 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* and Round 4 included up to \$12 million was awarded for a program that will support regionally themed New York focused projects. *Market NY* will help to bolster tourism growth by promoting tourism destinations, attractions, and special events. Additionally, Market New York will support capital grant funding for tourism facilities in New York. The Market New York program and each funded proposal will work to support the Regional Council's long term strategic plans for economic growth in the regions, as well as to attract visitors to New York State.

Funding is available for projects intended to 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 \$62,154 to fund one (1) Round 3 working capital tourism project, and \$1,192,890 to fund eight (8) Round 4 working capital projects. The grantees have

identified and prioritized Regional Marketing and Capital Tourism a projects that supports the Regional Economic Development Council's strategic plans for tourism and will coordinate with New York State's "I LOVE NEW YORK" tourism division to maximize the overall program impact statewide. The Market NY Grantee will carry out its Regional Marketing Tourism projects as described in the individual project descriptions as set forth in Schedule A attached.

ESD Project No's.: See Table Above

Project Team:	Project Management	See schedule A attached
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

#### C. Financial Terms and Conditions

ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,255,044, collectively for these projects, if ESD determines that reallocation of the assistance would better serve the needs of the Grantees and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### IV. Statutory Basis – Market New York Program

The projects were authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

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

Resolution  
Schedule A (A)

July 16, 2015

Statewide – Market NY Grant Program – Regional Tourism Marketing Competition –  
Market New York (Capital and Working Capital Grants) – Findings and Determinations  
Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related  
Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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 (\$1,255,044) 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.

\* \* \*



**A. New York Wines Foods - The New American Classics Working Capital (Z152)**  
July 16, 2015

- Grantee:** New York Wine & Culinary Center (“NYWCC” or the “Organization”)
- ESD Investment:** A grant of up to \$62,154 to be used for regional tourism marketing funding.
- Project Location:** Ontario County
- Proposed Project:** Development of a marketing plan and events focused on promoting the craft beverage industry and to establish the Finger Lakes Region as a culinary and wine destination, and thereby increasing tourism to the overall 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 New York Wine & Culinary Center is an organization that showcases New York’s dynamic agriculture, wine, craft beer and food industries. The Center’s state-of-the-art facility overlooking Canandaigua Lake features a Hands-On Kitchen, Demonstration Theater, Tasting Room, Private Dining Room, Culinary Boutique, and locally-sourced restaurant, the Upstairs Bistro.

Ownership – The NYWCC is a not-for-profit organization.

ESD Involvement – A \$62,154 grant from the Market NY Grant Program

Past ESD Support – This is the Organization’s first project with ESD.

**The Project:**

Completion date – June 2015

Activity – The Organization will initiate a plan to promote and market New York State wines and the New York State Wine & Culinary Center in the Finger Lakes Region through the implementation of a three phase marketing and branding program.

Results – NYWCC seeks to increase its craft beverage sales and visitors to the NYWCC in the Finger Lakes Region, to expand the tourism economy, and attract new visitors.

**New York Wines Foods - The New American Classics Working Capital (Z152)**

July 16, 2015

Financing Uses	Amount	Financing Sources	Amount	Percent
Promotional Event Costs	\$114,475	ESD Grant	\$62,154	36%
Branding & Marketing	60,000	Grantee Equity	112,321	64%
Total Project Costs	\$174,475	Total Project Financing	\$174,475	100%

**Grantee Contact:** Mr. Peter Rogers  
New York Wine & Culinary Center  
800 South Main Street  
Canandaigua, NY 4424  
Phone: (585) 394-7070 x105

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Soo Kang Environmental

**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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs, up to a total cost of \$62,154. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$62,154 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
4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Note: any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines.

**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)

**New York Wines Foods - The New American Classics Working Capital (Z152)**

July 16, 2015

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 – Market New York Program:**

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.



## B. Monet to Matisse Working Capital (Z601)

July 16, 2015

- Grantee:** Munson-Williams-Proctor Arts Institute (“MWPAl” or the “Organization”)
- ESD Investment:** A grant of up to \$20,000 to be used for regional tourism marketing funding.
- Project Location:** Herkimer County
- Proposed Project:** Marketing campaign to promote a special exhibit of renowned Impressionist artworks at MWPAl and attract visitors to this tourism destination as well as to the region.
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in May 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – The MWPAl is a fine arts center dedicated to serving diverse audiences by advancing the appreciation, understanding, and enjoyment of the arts. The Organization aims to promote interest and participation in the arts and stimulate artistic self-expression and personal creativity. MWPAl continues to assume a leadership and advocacy role for the arts in Utica, NY.

Ownership – MWPAl is a not-for-profit organization.

ESD Involvement – A \$20,000 grant from the Market NY Grant Program

Past ESD Support – Funding for the past five years to the grantee is summarized in the following table:

Program	Project #	Amount	Date Start (ESD Director's Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
Market NY	Z123	\$18,000	July 17,2014	February 2015	Working capital grant for promotion of arts and cultural tourism events.

### The Project:

Completion date – December 2015

## Monet to Matisse Working Capital (Z601)

July 16, 2015

Activity – MWPAI will promote and market a special art exhibit (May 16-November 29, 2015) in order to attract new visitors to a tourism destination in the Mohawk Valley Region.

Results – MWPAI seeks to increase sales and the visitors to this tourism destination in the Mohawk Valley Region to expand the tourism economy, and attract new visitors.

Financing Uses	Amount	Financing Sources	Amount	Percent
Multi-Media Campaign	\$90,000	ESD Grant	\$20,000	22%
		Grantee Equity	70,000	78%
Total Project Costs	\$90,000	Total Project Financing	\$90,000	100%

**Grantee Contact:** Mr. Anthony Spiridigloizzi, President  
Munson-Williams-Proctor Arts Institute  
310 Genesee Street  
Utica, NY 13502  
Phone: (315) 797-0000 x2134

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Soo Kang Environmental

### 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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs, up to a total cost of \$20,000. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$20,000 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.
4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for

## **Monet to Matisse Working Capital (Z601)**

July 16, 2015

the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, In the event I LOVE NY/NYS Division of Tourism chooses to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee

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

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, goals will not be established due to the unavailability of certified MWBs for performance of this Contract.

### **Statutory Basis – Market New York Program:**

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.



**C. Arts Alive Long Island Working Capital (Z666)**

July 16, 2015

- Grantee:** Long Island Arts Alliance, Inc. ("LIAA" or the "Organization")
- ESD Investment:** A grant of up to \$150,000 to be used for regional tourism marketing.
- Project Location:** Nassau and Suffolk Counties
- Proposed Project:** Support for a marketing project developed and implemented to promote *Arts Alive LI*, a regional, multi-venue arts festival and website that showcases Long Island's world-class arts and culture.
- Regional Council:** The Long Island Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in May 2015. The project is consistent with the Regional Plan to promote tourism.

**Background:**

Organization History – In 2002, Long Island Association asked prominent community leaders to participate in an examination of the region's assets, growth opportunities and challenges. One element of this "Goals Project" was an Arts and Culture Committee Meeting as a collegial group of arts professionals, it became clear that these organizations, and their constituents, were responsible for an economic impact that had yet to be measured. Now meeting regularly, and with a project that was beyond the narrow scope of the Arts and Culture Committee's focus, members began to speak of creating a Long Island-wide alliance of not-for-profit arts organizations that would actively address the challenges facing members of the arts community. Long Island Arts Alliance was thereby created; with a mandate from members to measure the impact the arts have on the region's economy.

Ownership – Long Island Arts Alliance, Inc. is a not-for-profit corporation.

ESD Involvement – A \$150,000 grant from the Market NY Grant Program.

Past ESD Support – Funding for the past five years to the grantee is summarized in the following table:

Program	Project #	Amount	Date Start (ESD Director's Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
Market NY	Z153	\$150,000	July 17,2014	May 2015	Working capital grant for promotion of arts and cultural tourism events.

**Arts Alive Long Island Working Capital (Z666)**

July 16, 2015

**The Project:**

Completion date – January 2016

Activity – Long Island Arts Alliance, Inc. will support *Arts Alive LI* by implementing a multi-platform marketing and advertising campaign and community outreach, to build awareness for the project, as well as to increase visitation to the region.

Results – The overall goal of this regional marketing project is to increase visitation and tourism spending in the Long Island Region.

Financing Uses	Amount	Financing Sources	Amount	Percent
Multi-Media Promotion	\$122,000	ESD Grant	\$150,000	89%
Contracting/Consulting	\$23,170	Grantee Equity	\$18,309	11%
Materials/Supplies	\$6,309			
Administrative Costs	\$16,830			
Total Project Costs	\$168,309	Total Project Financing	\$168,309	100%

**Grantee Contact:** Theresa Statz-Smith  
Executive Director  
720 Northern Boulevard  
Hillwood Commons #137  
Brookville, NY 11548  
Phone: (516) 224-8440

**Project Team:** Project Management Kelly Rabideau- Baquerizo  
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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs, up to a total cost of \$150,000. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.

## **Arts Alive Long Island Working Capital (Z666)**

July 16, 2015

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$150,000 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.
4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, in the event I LOVE NY/NYS Division of Tourism would choose to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

### **Statutory Basis – Economic Development Purposes Fund:**

The project was authorized in the 2013-2014 New York State budget and was 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.



## D. Windham Mountain Bike World Cup Working Capital (Z668)

July 16, 2015

- Grantee:** Windham Area Recreation Foundation (“WARF” or the “Organization”)
- ESD Investment:** A grant of up to \$247,875 to be used for regional tourism marketing funding.
- Project Location:** Greene County
- Proposed Project:** Creation of a marketing campaign to promote the 2015 Windham Mountain Bike World Cup in the Capital Region of New York.
- Regional Council:** The Capital Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in May 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – WARF is dedicated to establishing the Windham region as a preeminent four season destination, and bettering the lives of its residents and visitors through the enhancement of trail-based recreation opportunities.

Ownership – WARF is a not-for-profit organization.

ESD Involvement – A \$247,875 grant from the Market NY Grant Program

Past ESD Support – This is the Organization’s first project with ESD.

### The Project:

Completion date – October 2015

Activity – WARF will initiate a multi-media marketing campaign to not only promote increase attendance at the sporting event, and to increase international and national participation by elite riders, in addition to increasing visitors to the overall region.

Results – WARF seeks to increase the participants and audience to this international tourism event in the Capital Region in order to expand the tourism economy, and attract new visitors.

Financing Uses	Amount	Financing Sources	Amount	Percent
Multi-Media Campaign	\$330,500	ESD Grant	\$247,875	75%
		Grantee Equity	82,625	25%
Total Project Costs	\$330,500	Total Project Financing	\$330,500	100%

**Windham Mountain Bike World Cup Working Capital (Z668)**

July 16, 2015

**Grantee Contact:** Nick Bove, President  
Windham Area Recreation Foundation  
61 State Route 296  
Windham, NY 12496  
Phone: (518) 734-4700

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Soo Kang Environmental

**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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs, up to a total cost of \$247,875. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$247,875 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.
4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, in the event I LOVE NY/NYS Division of Tourism would choose to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

## **Windham Mountain Bike World Cup Working Capital (Z668)**

July 16, 2015

### **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.

### **Statutory Basis – Market New York Program:**

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.



## E. Greater Walkway Experience Working Capital (Z687)

July 16, 2015

- Grantee:** Walkway Over the Hudson (“WOTH” or the “Organization”)
- ESD Investment:** A grant of up to \$189,000 to be used for regional tourism marketing funding.
- Project Location:** Dutchess County, Ulster County
- Proposed Project:** Marketing campaign to promote the Greater Walkway Experience Branding and Way Finding initiative in the Mid-Hudson Region of New York.
- Regional Council:** The Mid-Hudson Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in May 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – WOTH works to support and improve Walkway Over the Hudson State Historic Park by building new amenities and features that help this grand attraction realize its full potential. Throughout the year, the Organization implements programming and events designed to enlighten and bring enjoyment to the park’s approximately 750,000 annual visitors.

Ownership – WOTH is a, not-for-profit organization.

ESD Involvement – A \$189,000 grant from the Market NY Grant Program

Past ESD Support – Funding for the past five years to the grantee is summarized in the following table:

Program	Project #	Amount	Date Start (ESD Director's Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
DOWNST REVITALIZATION	Z379	\$250,000	TBD	TBD	Construction of a new visitor center.
DOWNST REVITALIZATION	W936	\$2,250,000	November 18, 2013	December 17, 2014	Renovations and new construction to transform an abandoned railroad bridge into a publicly accessible tourist destination.

## Greater Walkway Experience Working Capital (Z687)

July 16, 2015

### The Project:

Completion date – September 2016

Activity – WOTH will initiate a multi-media marketing campaign to create way finding signage, an outreach campaign and the creation of a web platform that could host an array of rich content and links to numerous regional amenities, cultural attractions (such as NYS Path Through History), shopping, parks and other attractions.

Results – WOTH-seeks to increase visitors to this tourism destination in the Mid-Hudson Region in order to expand the tourism economy.

Financing Uses	Amount	Financing Sources	Amount	Percent
Multi-Media Campaign	\$179,000	ESD Grant	\$189,000	75%
Administrative Service	\$25,000	Grantee Equity	64,500	25%
Contractual Services	49,500			
Total Project Costs	\$253,500	Total Project Financing	\$253,500	100%

**Grantee Contact:** Elizabeth Waldstein-Hart  
Walkway Over the Hudson  
82 Washington Street  
Poughkeepsie, NY 12601  
Phone: (845) 454-9649  
E-mail: [ewhart@walkway.org](mailto:ewhart@walkway.org)

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Soo Kang Environmental

### 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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs as described in Sections II and III above, up to a total cost of \$189,000. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$189,000 for this project if ESD determines that the reallocation of the

## **Greater Walkway Experience Working Capital (Z687)**

July 16, 2015

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.

4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, in the event I LOVE NY/NYS Division of Tourism would choose to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

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

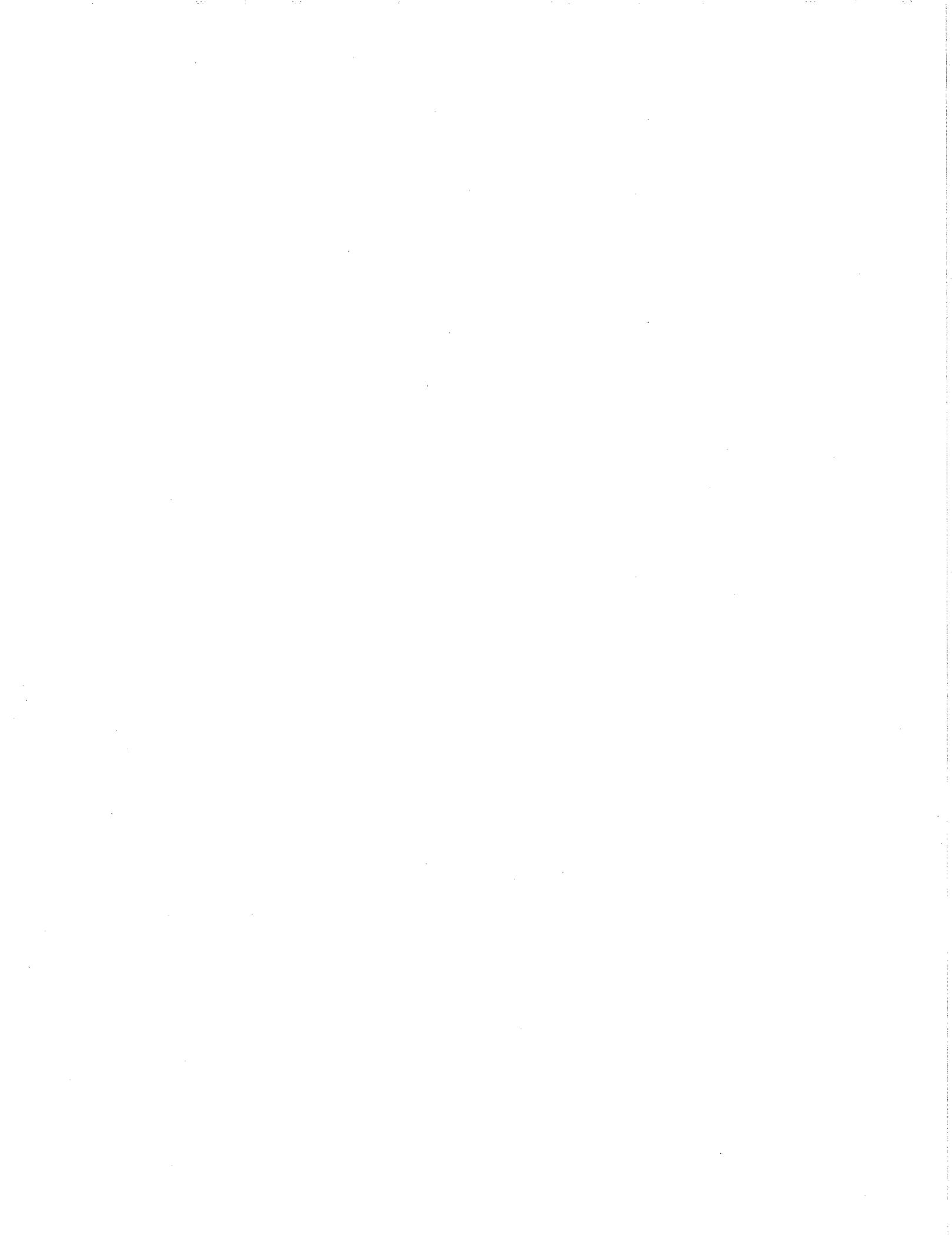
ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

### **Statutory Basis – Market New York Program:**

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.



## F. Next Generation of Adirondack Visitors Working Capital (Z724)

July 16, 2015

- Grantee:** The Wild Center (the "Organization")
- ESD Investment:** A grant of up to \$372,000 to be used for regional tourism marketing funding.
- Project Location:** Franklin County
- Proposed Project:** Implementation of a research and outreach project aimed to increase tourism to the North Country Region of New York.
- Regional Council:** The North Country Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in May 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – The Wild Center is the Organization overseen by a Board of Trustees with the assistance of an Advisory Board. The Center is based out of an 81-acre site in Tupper Lake, NY near the geographic center of the Adirondacks. It is a science-based destination, and its experiences, exhibits and programs are designed to open new ways to look into our relationship with nature. It is also the home to the new "Wild Walk"- the only elevated trail across the treetops in New York State.

Ownership – The Wild Center is a not-for-profit organization.

ESD Involvement – A \$372,000 grant from the Market NY Grant Program

Past ESD Support – Funding for the past five years to the grantee is summarized in the following table:

Program	Project #	Amount	Date Start (ESD Director's Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
Regional Council Capital Fund- RC2	Y151	\$1,000,000	May 18, 2015	TBD	Construct Phase 1 of the Wild Center Wild Walk.
Regional Council Capital Fund- RC3	Y829	\$250,000	August 20, 2016	TBD	The Wild Center will construct and install permanent exhibits and signage on the Wild Walk attraction.

### The Project:

Completion date – December 2016

## Next Generation of Adirondack Visitors Working Capital (Z724)

July 16, 2015

**Activity** – The Wild Center will initiate a research and outreach project to determine the best way to attract the next generation of Adirondack tourists (e.g. the “millennials”) to this destination (The Wild Center and The Wild Walk) and to the region.

**Results** – The Wild Center seeks to increase visitors to this tourism destination in the North Country Region in order to expand the tourism economy.

Financing Uses	Amount	Financing Sources	Amount	Percent
Advertising	\$86,900	ESD Grant	\$372,000	75%
Contractual Services	\$263,600	Grantee Equity	124,000	25%
Administrative Costs	\$15,000			
Production	130,500			
Total Project Costs	\$496,000	Total Project Financing	\$496,000	100%

**Grantee Contact:** Kara Page  
The Wild Center  
45 Museum Drive  
Tupper Lake, NY 12986  
Phone: (518) 359-7800 x 124

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Soo Kang Environmental

### 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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs, up to a total cost of \$372,000. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$372,000 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.

## Next Generation of Adirondack Visitors Working Capital (Z724)

July 16, 2015

4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, in the event I LOVE NY/NYS Division of Tourism would choose to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

### **Statutory Basis – Market New York Program:**

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.



## G. Traveling Exhibitions Program Working Capital (Z736)

July 16, 2015

- Grantee:** Burchfield Penney Art Center ("BPAC" or the "Organization")
- ESD Investment:** A grant of up to \$36,000 to be used for regional tourism marketing funding.
- Project Location:** Erie County
- Proposed Project:** Support and promote "Traveling Exhibitions" special program in the Western New York Region of New York State.
- Regional Council:** The Western NY Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in June 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – BPAC is an arts and educational institution located on the campus of Buffalo State College. It is dedicated to the art and vision of American painter Charles E. Burchfield. Founded in 1966 as the Charles E. Burchfield Center, the center features a museum, library, and activity space for the arts.

Ownership – BPAC is a not-for-profit organization.

ESD Involvement – A \$36,000 grant from the Market NY Grant Program

Past ESD Support – This is the Organization's first project with ESD.

### The Project:

Completion date – March 2016

Activity – BPAC will implement a multi-media marketing campaign to support the development and dissemination of marketing materials for a new traveling exhibition program to promote Western New York arts.

Results – BPAC seeks to increase the visitors to this tourism destination in the Western NY Region in order to expand the tourism economy.

Financing Uses	Amount	Financing Sources	Amount	Percent
Multi-Media Campaign	\$54,000	ESD Grant	\$36,000	67%
		Grantee Equity	18,000	33%
Total Project Costs	\$54,000	Total Project Financing	\$54,000	100%

## Traveling Exhibitions Program Working Capital (Z736)

July 16, 2015

**Grantee Contact:** Scott Propeack  
Burchfield Penney Art Center  
1300 Elmwood Avenue  
Buffalo, NY 14222  
Phone: (716) 465-7484

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Soo Kang Environmental

### 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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs, up to a total cost of \$36,000. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$36,000 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.
4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, in the event I LOVE NY/NYS Division of Tourism would choose to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

## **Traveling Exhibitions Program Working Capital (Z736)**

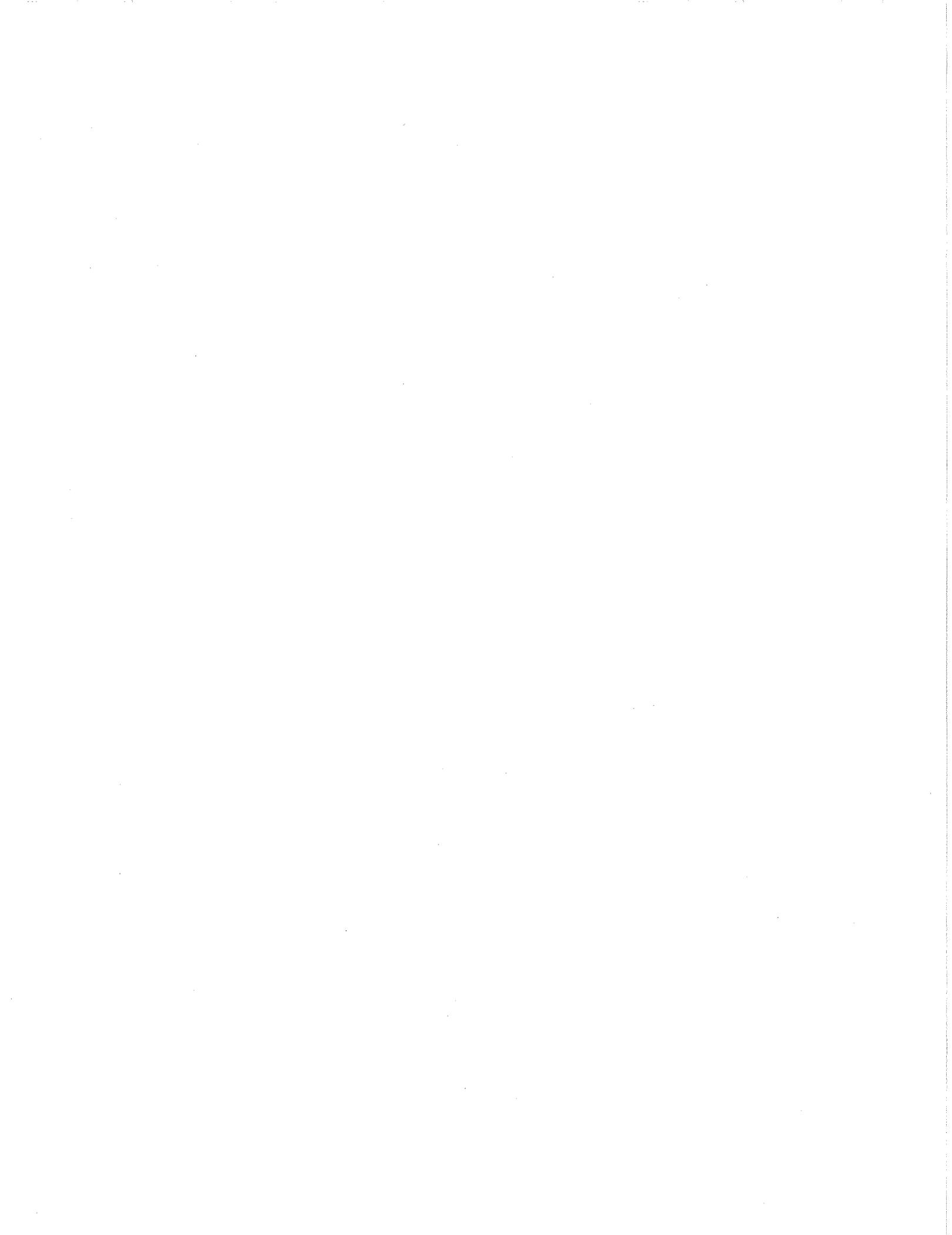
July 16, 2015

### **Statutory Basis – Market New York Program:**

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.



## H. Adirondack Journeys Working Capital (Z738)

July 16, 2015

- Grantee:** Mountain Lake PBS (“MLPBS” or the “Organization”)
- ESD Investment:** A grant of up to \$138,015 to be used for regional tourism marketing funding.
- Project Location:** Clinton County
- Proposed Project:** Support and promotion of a multi-platform marketing campaign to attract visitors to the North Country Region of New York State
- Regional Council:** The North Country Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in June 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – MLPBS is owned and operated by the Mountain Lake Public Telecommunications Council – a volunteer board of trustees representing the geographic area of the station’s broadcast signal. The Organization is also registered as a charitable organization in Canada, and is represented in Canada by Les Amis Canadiens de Mountain Lake PBS. Mountain Lake PBS has a volunteer Community Advisory Board to provide the station with additional support and guidance

Ownership – MLPBS is a not-for-profit organization.

ESD Involvement – A \$138,015 grant from the Market NY Grant Program

Past ESD Support – This is the Organization’s first project with ESD.

### The Project:

Completion date – December 2015

Activity – MLPBS will implement the creation of unique marketing videos, focused on agritourism, heritage, outdoor recreation and hospitality.

Results – MLPBS seeks to increase the visitors to this tourism destination in the North Country Region in order to expand the tourism economy.

## Adirondack Journeys Working Capital (Z738)

July 16, 2015

Financing Uses	Amount	Financing Sources	Amount	Percent
Multi-Media Campaign	\$146,601	ESD Grant	\$138,015	75%
Supplies & Contractor	17,021	Grantee Equity	46,009	25%
Transcription Fees	2,000			
Administrative Fees	18,402			
Total Project Costs	\$184,024	Total Project Financing	\$184,024	100%

**Grantee Contact:** Erik Nycklemoe  
Mountain Lake PBS  
1 Sesame Street  
Plattsburgh, NY 12901  
Phone: (518) 563-9770

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Soo Kang Environmental

### 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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs, up to a total cost of \$138,015. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$138,015 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.
4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. In the event I LOVE NY/NYS Division of Tourism would choose to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

## **Adirondack Journeys Working Capital (Z738)**

July 16, 2015

### **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, goals will not be established due to the unavailability of certified MWBs for performance of this Contract.

### **Statutory Basis – Market New York Program:**

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.



## I. Haunted History Trail of New York State Working Capital (Z739)

July 16, 2015

- Grantee:** Genesee County Chamber of Commerce (“Genesee CCC” or the “Organization”)
- ESD Investment:** A grant of up to \$40,000 to be used for regional tourism marketing funding.
- Project Location:** Genesee County
- Proposed Project:** Support and promote support and promote the “Haunted History Trail of New York” program and visitors to the Capital District; Central New York; Finger Lakes; Mid-Hudson; Mohawk Valley; North Country; Southern Tier; and Western New York Regions.
- Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in June 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – Genesee CCC is the officially designated tourism promotion agency for Genesee County in the Finger Lakes region. The Organization implements county and region wide tourism programs throughout the year to promote tourism.

Ownership – Genesee CCC is a not-for-profit organization.

ESD Involvement – A \$40,000 grant from the Market NY Grant Program

Past ESD Support – This is the Organization’s first project with ESD.

### The Project:

Completion date – May 2016

Activity – Genesee CCC will implement a multi-media marketing campaign, and group travel (motor coach) development program to promote a 27-county tourism destination marketing program- the “Haunted History Trail of New York State”. This project promotes increased visitation to the participating “haunted” sites and traditional tourism venues, throughout the year.

Results – Genesee CCC seeks to increase the visitors to the tourism destinations included in this program in order to expand the tourism economy.

## Haunted History Trail of New York State Working Capital (Z739)

July 16, 2015

Financing Uses	Amount	Financing Sources	Amount	Percent
Multi-Media Campaign	\$33,000	ESD Grant	\$40,000	50%
Group Travel/Sales	20,000	Grantee Equity	40,000	50%
Trade/Leisure Shows	11,000			
Distribution	1,000			
Marketing Collateral	10,000			
Administrative Fees	5,000			
Total Project Costs	\$80,000	Total Project Financing	\$80,000	100%

**Grantee Contact:** Kelly Rapone  
Genesee County Chamber of Commerce  
210 East Main Street  
Batavia, NY 14020  
Phone: (585) 343-7440

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Soo Kang Environmental

### 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. Funds will be disbursed in arrears, no more frequently than quarterly, for project costs, up to a total cost of \$40,000. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including program reports. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$40,000 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.
4. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, in the event I LOVE NY/NYS Division of Tourism

## **Haunted History Trail of New York State Working Capital (Z739)**

July 16, 2015

would choose to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 50% related to the total value of ESD's funding.

### **Statutory Basis – Market New York Program:**

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

July 16, 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	AIDA & GIANT Solutions Capital	Y994	Amsterdam Industrial Development Agency	\$30,000
			<b>TOTAL</b>	<b>\$30,000</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.

#### 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 project was 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).

#### Attachments

Resolution  
Project Summary  
New York State Map

July 16, 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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>
	<b>Regional Council Capital Fund</b>			
A	AIDA & GIANT Solutions Capital	Y994	Amsterdam Industrial Development Agency	\$30,000
			<b>TOTAL</b>	<b>\$30,000</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.

\* \* \*

**A. AIDA & GIANT Solutions Capital (Y994)**

July 16, 2015

General Project Plan

- Grantee:** Amsterdam Industrial Development Agency (“AIDA” or the “Organization”)
- Beneficiary Company:** GIANT Solutions LLC (“GIANT” or the “Company”)
- ESD Investment:** A grant of up to \$30,000 to be used for a portion of the cost of the purchase of machinery and equipment
- Project Location:** 37 Prospect Street, Amsterdam, Montgomery County
- Proposed Project:** Giant Solutions will invest \$158,000 in additional machinery and equipment. This investment will lead to the creation of two new permanent full-time jobs within three years and will retain eleven Full-time permanent jobs.
- Project Type:** Business expansion involving job retention and creation.
- Regional Council:** The project is consistent with the Mohawk Valley Regional Economic Development Council Plan to leverage business, industry and employment concentrations with high growth potential, Semiconductors & Nanotechnology, and Clean Technology.
- Employment:**
- |   |    |
|---|----|
| Initial employment at time of ESD Incentive Proposal: | 11 |
| Current employment level:                             | 13 |
| Minimum employment on January 1, 2015:                | 13 |

**Grantee Background**

Industry – The Amsterdam Industrial Development Agency is a public benefit corporation that assists in the creation and retention of employment opportunities and businesses in the City of Amsterdam.

Organization History – AIDA was created in 1973.

Size – AIDA includes a seven-member Board of Directors that is appointed by the Amsterdam’s Common Council to oversee the Organization’s operations.

**Beneficiary Background:**

Industry – Technology and Wireless Communication

## AIDA & GIANT Solutions Capital (Y994)

July 16, 2015

Company History - GIANT Solutions was founded in 2002 and is headquartered in Amsterdam, NY. Their primary line of work is in-building Distributed Antenna Systems (DAS). An in-building DAS serves to provide commercial wireless services (2G, 3G, 4G voice and data) as well as public safety wireless to large buildings such as office complexes, hospitals, shopping malls, manufacturing facilities, etc. that would otherwise not have wireless coverage. The Company's involvement is turn-key, from evaluation to design, to installation, to commissioning. GIANT has invested tens of thousands of dollars in software, test equipment, and training in order to operate in this industry.

Ownership - The Company is privately owned.

Size - All facilities located in Amsterdam, NY.

ESD Involvement - In August 2013, the AIDA collaborated with GIANT to apply for funding under the Round 3 of the Mohawk Valley Regional Council Consolidated Funding Application to close a gap in the Company's budget for the purchase of new machinery and equipment. The Company sought to provide service to numerous businesses, hospitals and colleges within the Mohawk Valley region, and to improve provision of wireless and public safety communication.

In March 2014, ESD made AIDA an offer of assistance on behalf of GIANT which the AIDA accepted in April 2014. 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.

### **The Project:**

Completion - March 2015

Activity - GIANT completed a machinery and equipment acquisition project to improve expansion of its operations in the development of wireless communications for companies from system design/performance, siting and zoning, to in-building wireless and public safety communication networks.

Results - Retain 11 existing jobs and create 2 new jobs. The Company has created 2 new jobs.

Evaluated over a seven-year period, project fiscal benefits to New York State

**AIDA & GIANT Solutions Capital (Y994)**

July 16, 2015

government are expected to be \$41,080, which exceed the cost to the State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Testing Equipment Acquisition & Instillation	\$158,000	ESD Grant	\$30,000	19%
		Company Equity	78,000	49%
		NYS Community Development Block Grant	50,000	32%
Total Project Costs	\$158,000	Total Project Financing	\$158,000	100%

Grantee Contact - Jody Zakrevsky, Executive Director  
61 Church Street  
Amsterdam, NY 12010  
Phone: 518-842-5011

Project Team - Origination: Joseph Falcone  
Project Management: Jillian Drummond  
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 \$30,000 capital grant 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

**AIDA & GIANT Solutions Capital (Y994)**

July 16, 2015

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 \$30,000 will be disbursed to Grantee upon, documentation of machinery and equipment project costs totaling \$158,000, other documentation verifying project completion as ESD may require, and documentation of the employment of at least 14 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 April 9, 2014 to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
6. Recipient agrees to impose the Employment Commitment, without condition, on the Beneficiary Company, Giant Solutions LLC, through documentation to be submitted to, and found acceptable by, ESD. Both the Recipient and the Beneficiary Company will be identified as signatories to any forthcoming Grant Disbursement Agreement.
7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$30,000, 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.
8. 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

**AIDA & GIANT Solutions Capital (Y994)**

July 16, 2015

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	12
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2016	14
February 1, 2017	14

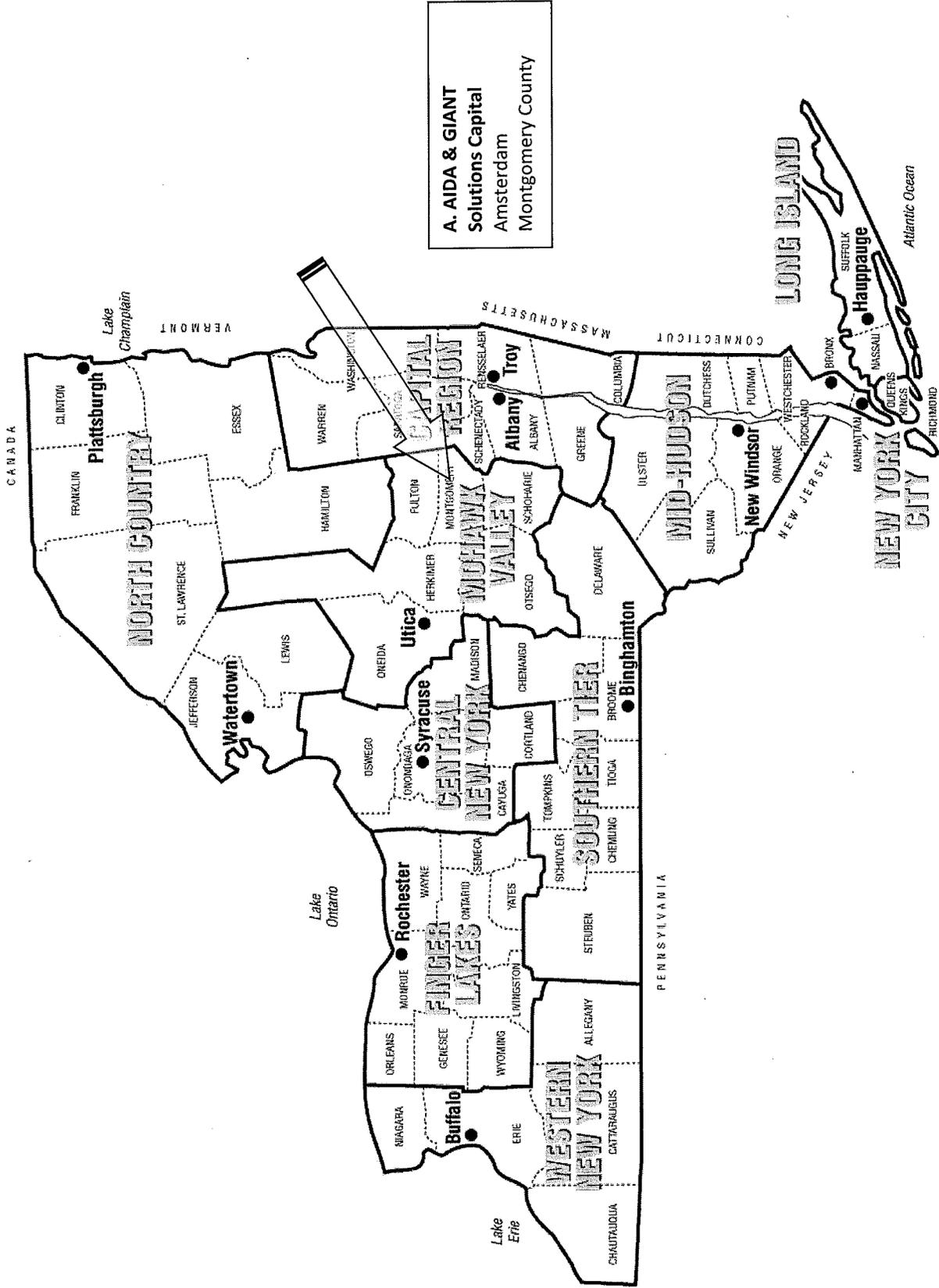
**Non-Discrimination and Contractor & Supplier Diversity:**

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 (MWBs) in the performance of ESD projects. For purposes of this Project, however goals will not be established due to the unavailability of certified MWBs for performance of this Project.

**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.

Regional Council Awards



A. AIDA & GIANT  
Solutions Capital  
Amsterdam  
Montgomery County

FOR CONSIDERATION

July 16, 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	Cape Vincent Chamber of Commerce Fishing Tournaments Working Capital	Z505	Cape Vincent Chamber of Commerce, Inc.	\$10,000
B	SUNY Ulster Pfeiffer Center for Business Innovation and Technology Capital	Z280	Ulster Community College Foundation, Inc.	150,000
	<b>TOTAL NON-DISCRETIONARY – 2 PROJECTS</b>		<b>TOTAL</b>	<b>\$160,000</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

Resolution

Project Summary

New York State Map

July 16, 2015

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

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to 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	Cape Vincent Chamber of Commerce Fishing Tournaments Working Capital	Z505	Cape Vincent Chamber of Commerce, Inc.	\$10,000
B	SUNY Ulster Pfeiffer Center for Business Innovation and Technology Capital	Z280	Ulster Community College Foundation, Inc.	150,000
			<b>TOTAL</b>	<b>\$160,000</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. Cape Vincent Chamber of Commerce Fishing Tournaments Working Capital (Z505)

July 16, 2015

- Grantee:** Cape Vincent Chamber of Commerce, Inc. ("Chamber" or the "Organization")
- ESD Investment:** A grant of up to \$10,000 to be used for a portion of the cost of fishing tournaments.
- Project Location:** Jefferson County
- Proposed Project:** Promotion of fishing tournaments
- Project Type:** Working Capital
- Regional Council:** The North Country Regional Council has been made aware of this item.

### Background:

Industry – Community organization

Organization History – The Cape Vincent Chamber of Commerce, Inc. is dedicated to fostering growth in business and tourism for the Town and Village of Cape Vincent. Cape Vincent is a riverfront community, built on a rich history of fishing and tourism. Cape Vincent is strategically located at the conflux of the St. Lawrence River and Lake Ontario making it an ideal setting for fishing tournaments. The Chamber currently consists of 90 business members, 20 not-for-profit organizations and 65 individual members. The goal of the Chamber is to provide guidance and assistance to current members, guide new business in their growth process, recruit new members to the Organization and implement tourism-based events in the community.

Ownership – The Chamber is a not-for-profit organization.

Size – The Organization is overseen by an Executive Director that is employed by the Town of Cape Vincent.

ESD Involvement - A \$10,000 appropriation was included in the FY 2014-2015 New York State budget.

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

### The Project:

Completion – December 2015

**Cape Vincent Chamber of Commerce Fishing Tournaments Working Capital (Z505)**  
 July 16, 2015

Activity – The Chamber markets and promotes fishing tournaments in Cape Vincent through a wide range of print, online and news media outlets. Promotion efforts will be used to boost tourism and increase traffic flow over the duration of the fishing tournaments by allowing visitors to observe and interact with the fisherman, follow their progress, attend meet-and-greets and weigh-ins.

Results - The economic impact of promoting fishing tournaments in Cape Vincent is significant in the short- and long-term. Tournaments result in an increase in awareness of fishing opportunities in the waters surrounding Cape Vincent. Additionally, during tournaments, there is an increase in hotel bookings, patronage at area restaurants and shops.

Financing Uses	Amount	Financing Sources	Amount	Percent
TV Advertising	\$1,600	ESD Grant	\$10,000	100%
Radio Advertising	1,000			
Print Media	800			
Internet Advertising	3,100			
Tournament Sponsorship Fees	3,500			
<b>Total Project Costs</b>	<b>\$10,000</b>	<b>Total Project Financing</b>	<b>\$10,000</b>	<b>100%</b>

Grantee Contact - Shelly Higgins, Director  
 173 N. James Street  
 PO Box 482  
 Cape Vincent, NY 13618  
 Phone: (315) 654-2481

Project Team - Project Management Charise Liggins  
 Contractor & Supplier Diversity Denise Ross  
 Environmental Soo Kang

**Financial Terms and Conditions:**

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$10,000 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

**Cape Vincent Chamber of Commerce Fishing Tournaments Working Capital (Z505)**  
July 16, 2015

ESDC 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 \$10,000, 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. 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.

**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.



## B. SUNY Ulster Pfeiffer Center for Business Innovation and Technology Capital (Z280)

July 16, 2015

### General Project Plan

- Grantee:** Ulster Community College Foundation, Inc. ("Ulster" or the "Organization")
- ESD Investment:** A grant of up to \$150,000 to be used for a portion of the cost of renovations and the purchase of machinery and equipment.
- Project Location:** 201 Franksottile Boulevard, Ulster County
- Proposed Project:** Equipment and renovations for SUNY's Business Innovation & Technology Center that will serve academic and business communities in the area of Advanced Manufacturing
- Project Type:** University-industry partnership
- Regional Council:** The Mid-Hudson Regional Economic Development Council has been made aware of this item.

### **Background:**

Industry - Higher education

Organizational History - Ulster Community College Foundation exists to solicit, accept, hold, invest, reinvest and administer any gifts, requests, devices, benefits of trust and property of any sort without limitations as to amount or value, and to use, disperse or donate the income or principal thereof or to use the property in kind for the benefit of Ulster County Community College, SUNY Ulster.

Ownership - The Organization is a not-for-profit corporation.

Size - All facilities located in Ulster County, NY

ESD Involvement - A \$200,000 appropriation was included in the FY 2014-2015 New York State budget.

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

### **The Project:**

Completion – January 2016

**SUNY Ulster Pfeiffer Center for Business Innovation and Technology Capital (Z280)**

July 16, 2015

Activity – The Grantee will purchase equipment and renovate SUNY’s Business Innovation & Technology Center (the “Center”) to serve the academic and business communities in the area of Advanced Manufacturing. The Center will house the SUNY Manufacturing Alliance for Research and Technology Transfer (“SMARTT”) Lab, with state-of-the-art R&D equipment to be used by local manufacturers. The Center will also open its doors to entrepreneurs looking to start or expand a business, as well as provide real-world classroom experience for students.

Results - The project will help facilitate the expansion and modernization of the Grantee’s SMARTT Lab, customized business training, workforce development training, and entrepreneurial training programs.

Financing Uses	Amount	Financing Sources	Amount	Percent
Programmable Logic Controller Training Systems	\$138,196	ESD Grant	\$150,000	48%
Computers, Software & Equipment	116,641	Grantee Equity	247,023	80%
Transportation	15,000			
Furniture	127,186			
Total Project Costs	\$397,023	Total Project Financing	\$309,837	100%

Grantee Contact - Lorraine Salmon, Executive Director  
P.O. Box 557  
Stone Ridge, NY 12484  
Phone: (845) 687-5049

Project Team - Project Management Wilfredo Florentino  
Contractor & Supplier Diversity Denise Ross  
Environmental Soo Kang

**Financial Terms and Conditions:**

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$150,000 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 \$150,000, for this project if ESD determines that the reallocation of the

**SUNY Ulster Pfeiffer Center for Business Innovation and Technology Capital (Z280)**

July 16, 2015

assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

**Statutory Basis – Local Assistance:**

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.

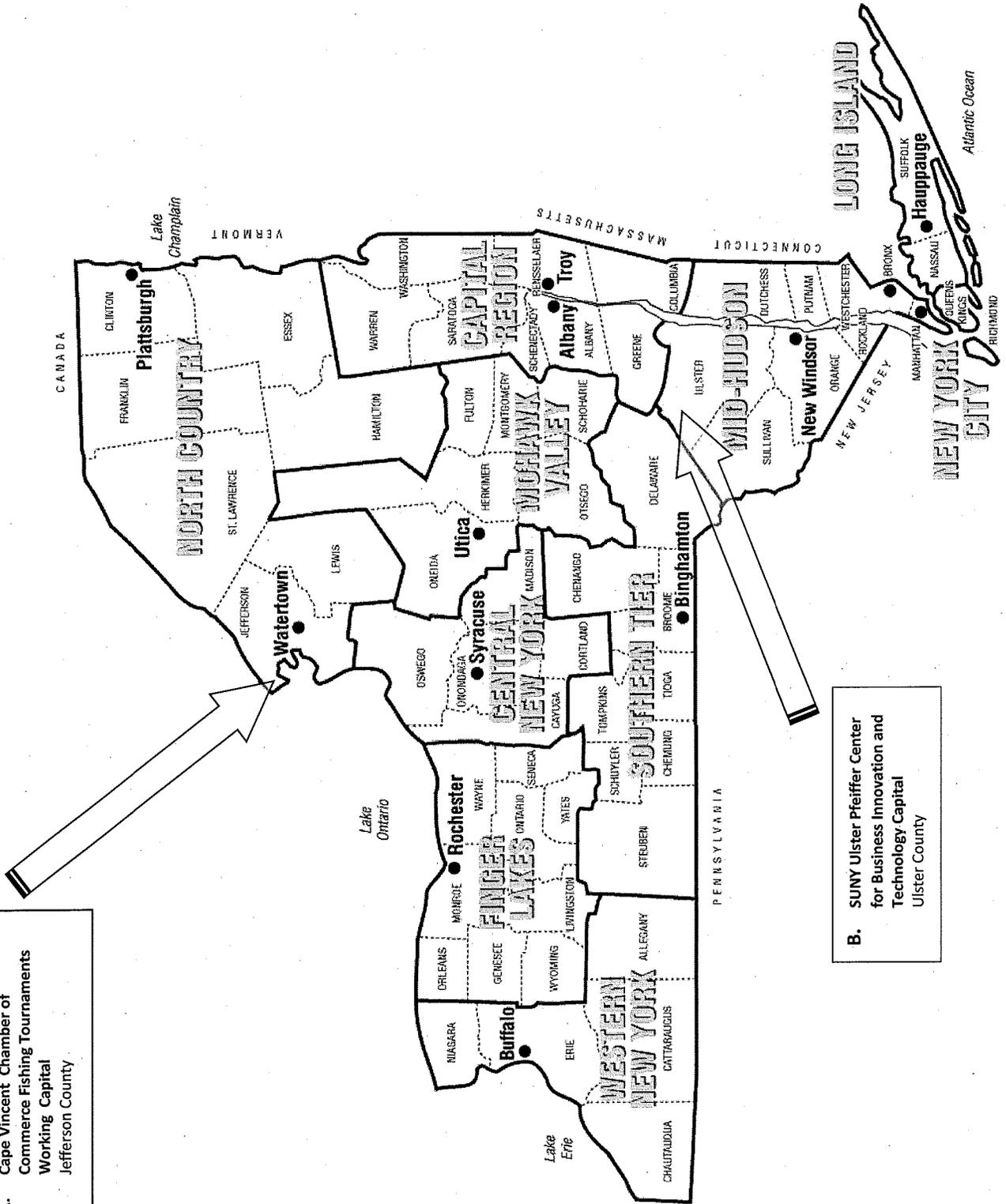
**Disclosure and Accountability Certifications:**

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



**Non-Discretionary Project Map**

**A.** Cape Vincent Chamber of Commerce Fishing Tournaments Working Capital  
Jefferson County



**B.** SUNY Ulster Pfeiffer Center for Business Innovation and Technology Capital  
Ulster County



FOR CONSIDERATION

July 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: World Trade Center Rent Reduction Program

REQUEST FOR: Adoption of Revised Program Guidelines

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**Background**

In August 2005, the State Legislature authorized ESD to provide rent offsets to encourage the leasing of commercial real estate at the World Trade Center (comprised of 1 World Trade Center, 2 World Trade Center, 3 World Trade Center, 4 World Trade Center and 5 World Trade Center) and 7 World Trade Center. As a result of the legislation, ESD created the World Trade Center Rent Reduction Program (the "Program").

The Program provides for a reduction in the annual effective rent for commercial office tenants making lease commitments early on at the new properties being developed at the World Trade Center as defined above ("WTC") and 7 World Trade Center ("7 WTC"). The value of the Program's benefits is not to exceed \$115 million. Funding for the Program is being made available from certain payments that the Port Authority of New York and New Jersey ("Port Authority") has agreed to make to the State of New York and that the State of New York, in turn, has assigned to ESD for a variety of economic development purposes.

On January 18, 2006, the Directors authorized ESD to (1) adopt the Guidelines for the Program and (2) enter into an agreement with the Port Authority related to the operation of the Program. Thereafter, the Corporation entered into an agreement with the Port Authority to implement the Program for 7 WTC.

In 2006, ESD determined that five companies' leases at 7 WTC were eligible to receive the Program's rent credit of \$3.80 per year per square foot leased for a maximum of 20 years, subject to the availability of program funding. The eligible companies (Darby & Darby, Moody's Investors Service, Ameriprise Financial, Mansueto Ventures and the New York Academy of Sciences) together are expected to receive program benefits valued at up to \$53.5 million over the term of their leases. These five leases account for the entire 750,000 square foot Program allocation for 7 WTC.

On November 17, 2007, the Directors authorized ESD to adopt amended Guidelines as a result of the restructuring of the World Trade Center site's redevelopment plan approved by the Port Authority in September 2006 (nine months after the original Program Guidelines were adopted).

On December 18, 2008, the Directors authorized ESD to adopt amended Guidelines that required that lessors at the WTC that were awarded Program benefits but not taking occupancy for several years, to annually certify the status of their eligible leases until the leased premises are ready for occupancy (expected in 2014). The amended Guidelines also required that an eligible lease term sheet be converted into a formal lease within one year of ESD's approval of a Program application.

By 2010, ESD had awarded the entire 750,000 square foot Program allocation at the WTC to the China Center and Conde Nast for their leases at 1 World Trade Center. The value of Program benefits at the WTC is expected to be \$61 million, based on a rent credit of \$5.00 per year per square foot leased and the projected amount of Program funds remaining after the above mentioned eligible 7 WTC leases are taken into account.

Since 2010, ESD has not entertained new applications for Program as the 750,000 square footage allotments at 7 WTC and WTC have been fully allocated.

#### **World Trade Center Rent Reduction Program Guidelines**

Corporation staff is now proposing amended Guidelines to address the situation in which Program benefits are forfeited and become newly available because a previously awarded WTC tenant reduces its leased space.

The primary change to the Guidelines is to authorize ESD to reallocate forfeited Program benefits, in the form of square footage leased, to prospective new tenants only if the new tenant commits to job creation goals mutually agreed upon with ESD. The current Guidelines allow ESD to reallocate Program benefits at its sole discretion without requiring the recipient of the reallocated benefits to commit to job creation.

The above proposed amendment to the Program Guidelines will allow ESD to direct program benefits, if they become available, to job growth projects, which have a greater economic impact than those simply involving a relocation of existing New York jobs from one location to another. Furthermore, since the Program has succeeded in encouraging first-movers to lease space at the World Trade Center, this amendment permits ESD to more selectively direct these funds to projects that require additional resources to move ahead at the World Trade Center.

In addition, the proposed amended Guidelines require that a tenant sign a lease with a minimum lease term of ten years. The existing Guidelines only require a minimum lease term of five years.

A copy of the amended Guidelines - which sets forth in detail the above changes - is attached hereto.

**Environmental Review**

ESD staff had previously determined that the Program constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. Furthermore, the redevelopment of the World Trade Center site was the subject of an Environmental Impact Statement prepared by the Lower Manhattan Development Corporation and the rebuilding of the 7 World Trade Center building was the subject of an Environmental Assessment prepared by ESD as the lead agency. No further environmental review is required in connection with the requested authorization of the Program.

**Requested Actions**

The Directors are requested to authorize the Corporation to amend the World Trade Center Rent Reduction Program Guidelines as attached hereto; to enter into an Agreement with the Port Authority of New York & New Jersey and to Provide Funds; and to take all related actions necessary or appropriate to effectuate the foregoing.

**Recommendation and Requested Action**

The Directors are requested to adopt the proposed new Guidelines for the World Trade Center Rent Reduction Program, effective as of the date of approval.

**Attachments**

Resolution  
Proposed Amended Guidelines for the World Trade Center Rent Reduction Program

July 16, 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Adoption of Revised Guidelines for the World Trade Center Rent Reduction Program

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BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the proposed Amended Guidelines for the World Trade Center Rent Reduction Program, a copy of which is attached to the materials, be and hereby is approved and adopted as of the date hereof, and the Chief Executive Officer or his/her designee is authorized to promulgate the said Amended Guidelines in electronic form and other media for the use of the staff of the Corporation and its subsidiaries, and to take such other and further action as may be deemed necessary or appropriate to effectuate the foregoing Resolution.

\* \* \*

**Guidelines for the  
World Trade Center Rent Reduction Program**  
(adopted January 18, 2006; amended as of November 15, 2007, December 18, 2008 and July  
16, 2015 )

**Program**

The World Trade Center Rent Reduction Program (the "Program") is a program established by the New York State Urban Development Corporation d/b/a the Empire State Development ("ESD") consistent with Chapter 2 of the Laws of 2005. The purpose of the Program is to create an incentive for the leasing of commercial office space at 1 WTC (a/k/a the Freedom Tower), 2 World Trade Center ("2 WTC"), 3 World Trade Center ("3 WTC"), 4 World Trade Center ("4 WTC"), 5 World Trade Center ("5 WTC") (the Freedom Tower, 2 WTC, 3 WTC, 4 WTC and 5 WTC are collectively referred to as the "WTC" and will be located on the WTC site, defined below) and 7 World Trade Center ("7 WTC").

The WTC site (with the current exception of the 5 WTC site) and 7 WTC are owned by the Port Authority of New York and New Jersey ("Port Authority"). It is expected that the Port Authority will acquire the 5 WTC site from the Lower Manhattan Development Corporation. Each of the WTC buildings and 7 WTC is or shall be subject to a ground lease or other similar instrument (each a "Ground Lease") with a sub-lessor (a "Sub-Lessor"). Each Sub-Lessor intends to enter into one or more leases with sub-tenants (the "Lessees") for occupancy of the WTC and 7 WTC. The specific aim of the Program is to reduce the effective rent paid by qualified Lessees of commercial office space at the WTC site and 7 WTC site to encourage Lessees to make an early commitment to lease space at the WTC or 7 WTC.

**Program Location**

The WTC site in Lower Manhattan consists of (i) the site bounded by West, Vesey, Church and Liberty Streets and (ii) the adjacent "Southern Site" which consists of two city blocks, one bounded by Liberty, Washington, Albany and Greenwich Streets and the other bounded by Liberty, West, Cedar and Washington Streets.

7 World Trade Center is the building located at 250 Greenwich Street in Lower Manhattan.

**Program Funding**

The maximum amount of funding available for the Program is \$115 million dollars, to be allocated as set forth below. Funding for the Program is being made available from certain payments that the Port Authority has agreed to make to the State of New York and that the State of New York, in turn, has assigned to ESD. The portion of the \$115 million to be paid to the Port Authority to implement the Program is referred to hereinafter as the "ESD Payment".

## Conditions Precedent

Program assistance is subject to (i) ESD and the Port Authority entering into a satisfactory agreement(s) for the ESD Payment; and (ii) the Port Authority and a Sub-Lessor entering into an agreement(s) to reduce the amount of payments in lieu of taxes that are made by the Sub-Lessor to the Port Authority under the Ground Lease by an amount equal to the ESD Payment; and (iii) the Sub-Lessor and Lessees entering into a Qualifying Lease. The Program has been approved by the Public Authorities Control Board.

## Qualifying Leases

A qualifying lease ("Qualifying Lease") between the Sub-Lessor and Lessee under the Program must meet the following criteria:

- (i) the lease must be for space that is either:
  - (a) within the first 750,000 square feet of commercial office space rented in the WTC or the first 750,000 square feet of commercial office space rented within 7 WTC (based on the earlier of the execution of a term sheet committing the Lessee to the space or an executed lease) or
  - (b) for commercial office space rented in the WTC that is executed after an amendment of a previously awarded Qualifying Lease results in the reduction of rentable square feet ;
- (ii) the lease must be for a minimum term of 10 years;
- (iii) the lease must be primarily for commercial office space (i.e. minimum of 75% of the rented space is dedicated for office purposes including, exhibition space, trading floors, or other typical ancillary uses);
- (iv) the lease must commence no earlier than December 15, 2005 and the space must be delivered by the Sub-Lessor to the Lessee by no later than December 31, 2020, unless extended, in writing, by ESD;
- (v) the Lessee must be unaffiliated with the Sub-Lessor;
- (vi) the lease must reflect that rent payments under the lease shall be reduced to the extent of Program assistance being made available by the State of New York, acting through ESD;
- (vii) the lease must be in full force and effect; and
- (viii) the Lessee, or any sub-lessee of substantially all of the leased space must not be a Prohibited Party, as defined below
- (ix) For purposes of this Program square footage will be based on REBNY space measurement guidelines (as currently set forth in the REBNY guidelines entitled "Recommended Method of Floor Measurement for Office Buildings, Effective January 1, 1987; revised December, 2003") and all submissions and leases will report space based on such guidelines.

Prohibited Party shall mean any individual, corporation, partnership or similar entity, or any affiliate or principal of the foregoing, that (i) has ever been convicted of a felony or any crime of moral turpitude or that is an organized crime figure or reputed organized crime figure; (ii) with respect to whom any notice of default remains uncured that has been given by the State of New York or any subdivision thereof, or any agency, department, public benefit corporation or public authority thereof, including without limitation, ESD and the Port Authority.

### **Program Assistance**

Subject to the Program funding limitations set forth above, Program assistance, on an annual basis, shall equal \$3.80 per square rented under a Qualifying Lease for 7 WTC and \$5 per square foot rented under a Qualifying Lease at the WTC. Program assistance shall be provided for the term of the Qualifying Lease, not to exceed 20 years, or such shorter period of time if the total amount of Program funding set forth above has been expended. Program assistance shall not be made available with regard to option periods under a Qualifying Lease, unless requested by the Sub-Lessor and agreed to by ESD at the time of application.

For each Qualifying Lease, Program funds, computed as set forth above, shall be paid or reassigned to the Port Authority on a monthly or quarterly basis, subject to the Port Authority agreeing to provide the same benefit to the Sub-Lessor pursuant to its Ground Lease, or other agreement with the Sub-Lessor, and the Sub-Lessor agreeing to provide the same benefit to the applicable Lessee.

### **Applications & Additional Certifications**

The Sub-Lessor and Lessee must co-apply for assistance under the Program. The application will be in form provided by ESD. Each application must include a copy of the executed lease that is conditioned only upon such terms and conditions deemed acceptable by ESD (or a term sheet or unexecuted lease that is conditioned only upon such terms and conditions deemed acceptable by ESD, in which case the Sub-Lessor shall provide ESD with a copy of the executed lease immediately after its execution) and such other documentation that ESD may require. On an annual basis after an application is deemed eligible, the Sub-lessor will be required to certify to ESD the status of each lease (i.e. that the lease is in full force and effect). Applicants will also be required to make annual certifications to ESD with respect to continued Program eligibility, in form provided by ESD. In the event the Ground Lease or Qualifying Lease is assigned, the new Sub-Lessor or Lessee must affirm the existing application and agree to make the on-going certification to continue to receive the benefits hereunder.

In the event that the term sheet or unexecuted lease does not result in a Qualifying Lease within one year of approval of a Program application (unless such period is extended by ESD, acting in its sole discretion), or if a Qualifying Lease expires or is terminated, or if such lease no longer constitutes a Qualifying Lease, or if Sub-Lessor or Lessee fail to submit a required certification, then Program assistance for such applicant shall cease without a reallocation of Program assistance unless ESD, in its sole discretion, determines to reallocate such funds.

In the event that an amendment to a previously approved Qualifying Lease results in a reduction of the amount of rentable square footage previously awarded by ESD for Program assistance, ESD, at its sole discretion, may reallocate Program assistance in the form of square feet (up to the aforementioned square footage reduction) to a Qualifying Lease that is executed after the aforementioned lease amendment. ESD's criteria for determining this reallocation of Program assistance to new Qualifying Leases will include a requirement of significant job creation associated with the Lessee's relocation to and projected subsequent growth at the WTC, the Lessee's ability to achieve the aforementioned relocation and job growth and the degree to which the Lessee will diversify the Lower Manhattan business community. In such a case, Program assistance, in the form of eligible square feet, will be allocated, at ESD's sole discretion, to the new Qualifying lease until a total of 750,000 square feet has been allocated to all Qualifying Leases at the WTC.

### **Application Submissions**

Applications for Program assistance must be submitted not later than three months after execution of a Qualifying Lease and will be accepted by ESD until, as applicable, 750,000 square feet of commercial office space has been leased (or has been committed to pursuant to an accepted term sheet) at each of the WTC or 7 WTC. Within thirty days of receipt of a complete application, ESD shall notify the co-applicants as to the status of their application. Program assistance shall be retroactive to the commencement date of the Qualifying Lease. Notwithstanding anything to the contrary hereinabove, applications will not be accepted after December 31, 2016.

Applications must be submitted to:

Empire State Development Corporation  
World Trade Center Rent Reduction Program  
633 Third Avenue  
New York, New York 10017

As of the date of these Amended Guidelines, applications have been received and approved for the entire 750,000 square feet of space at 7 WTC.

### **Appeal Process**

If an applicant has submitted an application for assistance under the Program and believes that its application was unfairly denied, in whole or in part, it may appeal such decision within twenty business days of receipt of written notification that its application has been denied. Such appeal must be made in writing to ESD, at the address set forth above, and include such information as the applicant would like to be considered. A three member ESD appeal committee, consisting of the Senior Vice President – Loans and Grants, General Counsel and Chief Financial Officer, or their designees, will consider all appeals. All decisions by the appeal committee shall be final.

The appeal committee will be the sole arbiter in interpreting the intent and implementation of the Program and these Guidelines.

To the extent an application meets the technical requirements of the Program, as set forth in these Guidelines, but is inconsistent with the goals and the spirit of the Program, the appeal committee shall have the discretion to reject such application.

### **Maintenance of Records & Audit and Control**

Each applicant is obligated to maintain books and records that relate to the Program assistance for a period extending three years beyond the last benefit received under the Program (the "Audit Period"). At the request of ESD, each of the co-applicants shall provide at any time during the Audit Period, additional information that ESD may reasonably request. ESD, or its designees may audit applicants on a random or targeted basis for the Audit Period.

**Non-Discrimination**

Applicants must agree not to discriminate based on race, creed, color, national origin, sex, age or with respect to any otherwise qualified handicapped person, to be eligible for assistance under the Program.

**Amendments to Guideline**

ESD may amend these Guidelines from time to time and impose additional or alternative requirements with respect to prospective applications.

**Additional Information**

The application form and instructions, these Guidelines, any amendments to these Guidelines and additional information about the Program can be obtained by contacting Empire State Development Corporation at the address set forth above.

**Effective Date**

These Guidelines shall be effective immediately. Any application for Program assistance submitted to, and accepted by, ESD prior to the date of these amended Guidelines shall be governed by the Guidelines in effect at such time.



FOR CONSIDERATION

July 16, 2015

TO: The Directors

FROM: Howard Zemsky

SUBJECT: New York City (New York County) – Moynihan Station Civic and Land Use Improvement Project

REQUEST FOR: Authorization to Enter Into a Contract with the Hardwick Law Firm, LLC to Provide Legal Services in Connection with the Financing of the Daniel Patrick Moynihan Station

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**I. CONTRACT SUMMARY**

Counsel: Hardwick Law Firm, LLC (“**Counsel**”)

Scope of Services: Counsel would provide legal services to ESD in connection with financing for the construction of the Daniel Patrick Moynihan Station.

Contract Amount: Not to exceed \$100,000, inclusive of all contingencies and expenses

Funding Source: The contract would be funded from financing proceeds.

**II. BACKGROUND**

New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) and its subsidiary Moynihan Station Development Corporation (“MSDC”) are implementing the Moynihan Station Civic and Land Use Improvement Project (the “Project”), including redevelopment of the ESD-owned James A. Farley Post Office Building and Annex (the “Farley Building”). As part of the Project, a conditionally designated private developer (a joint venture of The Related Companies, L.P. and Vorando Realty, L.P.) will do a mixed-used redevelopment of most of the Farley Building and build a new residential tower and hotel on a neighboring parcel. In another portion of the Farley Building, ESD and MSDC will develop a new intercity and commuter passenger rail road station, approximately the size of Grand Central Station, which will be known as the Daniel Patrick Moynihan Station (“Moynihan Station”).

In order to finance the construction and related work associated with the development of the Moynihan Station, ESD plans to structure financing arrangements that would monetize supplemental rent revenue streams with respect to the private developer’s mixed-used

redevelopment of the Farley Building and the new residential tower and hotel on a neighboring parcel. This type of supplemental rent is frequently referred to as payments in lieu of taxes or PILOT. The supplemental rent will capture the approximate value of real estate taxes that would have been due on the private developer's developments if they had not been part of a statutorily tax exempt ESD project.

The financing will be structured as (i) an ESD tax-exempt bond issuance and/or (ii) loan(s) to ESD from the United States Department of Transportation pursuant to its Transportation Infrastructure Finance and Innovation Act ("TIFIA") Credit Program and/or Railroad Rehabilitation & Improvement Financing ("RRIF") Program. There is no currently feasible alternative to this financing. Without this financing, the Project cannot go forward.

While Counsel will be representing ESD with respect to the below stated scope of work, Ernst and Young ("EY"), a firm expert in these types of financing has been advising and will continue to advise ESD through closing on the financial structuring these types of financings and the overall financing of the project. EY and the Moynihan Project team have meet with USDOT officials regarding the TIFIA and RRIF financing, and there is general optimism among the USDOT officials, E&Y, and the ESD Moynihan Project team that ESD will receive these federal loans.

The financing transactions will be complex, document intensive, and time sensitive. ESD is also retaining the law firm of Orrick Herrington & Sutcliffe LLP as counsel for this financing. ESD will equitably and efficiently apportion the work between the two firms.

### **III. SCOPE OF WORK**

Counsel would advise ESD on matters relating to the tax exempt bond, TIFIA, and RRIF financings, including but not limited to:

- reviewing project materials;
- structuring the transactions;
- statutory and regulatory compliance;
- negotiating and documenting the transactions; and
- providing required legal opinions.

### **IV. COUNSEL SELECTION PROCESS**

In April 2012, ESD staff advertised for legal counsel generally, in the following areas: real estate and land use; environmental; construction; condemnation, bankruptcy; labor; taxation; bond financing; foreclosure and, in each case, related litigation. Sixty-six firms responded (including Counsel), the responses were evaluated, and in September 2012 ESD Directors approved a Pre-Qualified Counsel List. Counsel was pre-qualified in the area of bond financing.

ESD legal and Project staff interviewed six pre-qualified bond financing firms for the above scope of work, including Counsel. ESD legal and Project staff recommend retention of Counsel to perform financing related legal work based on: (a) knowledge and expertise of the firm; (b)

willingness to work for rates based on ESD standard rates for legal counsel; and (c) the pre-qualification process. Counsel is a firm with offices in New York with experience in tax exempt bond, TIFIA, and RRIF financing transactions. Counsel has performed similar work for ESD in a satisfactory fashion.

**V. CONTRACT PRICE AND FUNDING**

The term of the contract would be for 36 months. The maximum amount of the contract would be \$100,000. The contract may require amendment as the transactions progress, in which case the Directors would be requested to authorize such amendment. As stated above, the source of funding will be the proceeds of the financing. In the event that the financing does not close, then the Directors would have to be requested to consider whether or not to authorize the use of ESD funds.

**VI. RESPONSIBLE PARTY**

Pursuant to State Finance Law Section 163 and the Corporation's policy related thereto, staff has: (a) considered Counsel's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Base on the foregoing, staff considers Counsel to be responsible.

**VII. ENVIRONMENTAL REVIEW**

Staff has determined that the proposed authorization 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 Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

**VIII. 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 New York State certified minority and women-owned businesses (MWBEs) in the performance of ESD contracts. No specific MWBE participation goals shall be required; however, Counsel shall adhere to ESD's Non-discrimination and Equal Employment Opportunity policy.

Counsel is a New York State certified Minority-owned Business Enterprise and will provide legal services for the above stated scope of work.

**IX. REQUESTED ACTIONS**

The Directors are asked to: (1) make a determination of responsibility with respect to Counsel; and (2) authorize ESD to retain Counsel for financing related legal services as described in these materials, for a maximum amount of \$100,000.

**X. RECOMMENDATION**

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

**XI. ATTACHMENT**  
Resolutions

July 16, 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE  
DEVELOPMENT - Moynihan Station Civic and Land Use Improvement Project -  
Authorization to Enter Into a Contract with the Hardwick Law Firm, LLC to Provide Legal  
Services in Connection with the Financing of the Daniel Patrick Moynihan Station

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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 the Hardwick Law Firm, LLC ("Counsel") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Counsel in an amount not to exceed \$100,000, 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.

\* \* \*



**FOR CONSIDERATION**

July 16, 2015

**TO:** The Directors

**FROM:** Howard Zemsky

**SUBJECT:** New York City (New York County) – Moynihan Station Civic and Land Use Improvement Project

**REQUEST FOR:** Authorization to Enter Into a Contract with the Law Firm of Orrick Herrington & Sutcliffe LLP to Provide Legal Services in Connection with the Financing of the Daniel Patrick Moynihan Station

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**I. CONTRACT SUMMARY**

**Counsel:** Orrick Herrington & Sutcliffe LLP (“**Counsel**”)

**Scope of Services:** Counsel would provide legal services to ESD in connection with financing for the construction of the Daniel Patrick Moynihan Station.

**Contract Amount:** Not to exceed \$100,000, inclusive of all contingencies and expenses

**Funding Source:** The contract would be funded from financing proceeds.

**II. BACKGROUND**

New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) and its subsidiary Moynihan Station Development Corporation (“MSDC”) are implementing the Moynihan Station Civic and Land Use Improvement Project (the “Project”), including redevelopment of the ESD-owned James A. Farley Post Office Building and Annex (the “Farley Building”). As part of the Project, a conditionally designated private developer (a joint venture of The Related Companies and Vorando Realty) will do a mixed-used redevelopment of most of the Farley Building and build a new residential tower and hotel on a neighboring parcel. In another portion of the Farley Building, ESD and MSDC will develop a new intercity and commuter passenger rail road station, approximately the size of Grand Central Station, which will be known as the Daniel Patrick Moynihan Station (“Moynihan Station”).

In order to finance the construction and related work associated with the development of the Moynihan Station, ESD plans to structure financing arrangements that would monetize supplemental rent revenue streams with respect to the private developer’s mixed-used

redevelopment of the Farley Building and the new residential tower and hotel on a neighboring parcel. This type of supplemental rent is frequently referred to as payments in lieu of taxes or PILOT. The supplemental rent will capture the approximate value of real estate taxes that would have been due on the private developer's developments if they had not been part of a statutorily tax exempt ESD project.

The financing will be structured as (i) an ESD tax-exempt bond issuance and/or (ii) loan(s) to ESD from the United States Department of Transportation pursuant to its Transportation Infrastructure Finance and Innovation Act ("TIFIA") Credit Program and/or Railroad Rehabilitation & Improvement Financing ("RRIF") Program. There is no currently feasible alternative to this financing. Without this financing, the Project cannot go forward.

While Counsel will be representing ESD with respect to the below stated scope of work, Ernst and Young ("EY"), a firm expert in these types of financing has been advising and will continue to advise ESD through closing on the financial structuring these types of financings and the overall financing of the project. EY and the Moynihan Project team have meet with USDOT officials regarding the TIFIA and RRIF financing, and there is general optimism among the USDOT officials, E&Y, and the ESD Moynihan Project team that ESD will receive these federal loans.

The financing transactions will be complex, document intensive, and time sensitive. ESD is also retaining the Hardwick Law Firm, LLC as counsel for this financing. ESD will equitably and efficiently apportion the work between the two firms.

### **III. SCOPE OF WORK**

Counsel would advise ESD on matters relating to the tax exempt bond, TIFIA, and RRIF financings, including but not limited to:

- reviewing project materials;
- structuring the transactions;
- statutory and regulatory compliance;
- negotiating and documenting the transactions; and
- providing required legal opinions.

### **IV. COUNSEL SELECTION PROCESS**

In April 2012, ESD staff advertised for legal counsel generally, in the following areas: real estate and land use; environmental; construction; condemnation, bankruptcy; labor; taxation; bond financing; foreclosure and, in each case, related litigation. Sixty-six firms responded (including Counsel), the responses were evaluated, and in September 2012 ESD Directors approved a Pre-Qualified Counsel List. Counsel was pre-qualified in the area of bond financing.

ESD legal and Project staff interviewed six pre-qualified bond financing firms for the above scope of work, including Counsel. ESD legal and Project staff recommend retention of Counsel to perform financing related legal work based on: (a) knowledge and expertise of the firm; (b)

willingness to work for rates based on ESD standard rates for legal counsel; and (c) the pre-qualification process. Counsel is a firm with offices in New York with experience in tax exempt bond, TIFIA, and RRIF financing transactions. Counsel has performed similar work for ESD in a satisfactory fashion.

**V. CONTRACT PRICE AND FUNDING**

The term of the contract would be for 36 months. The maximum amount of the contract would be \$100,000. The contract may require amendment as the transactions progress, in which case the Directors would be requested to authorize such amendment. As stated above, the source of funding will be proceeds of the financing. In the event that the financing does not close, then the Directors would have to be requested to consider whether or not to authorize the use of ESD funds.

**VI. RESPONSIBLE PARTY**

Pursuant to State Finance Law Section 163 and the Corporation's policy related thereto, staff has: (a) considered Counsel's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Base on the foregoing, staff considers Counsel to be responsible.

**VII. ENVIRONMENTAL REVIEW**

Staff has determined that the proposed authorization 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 Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

**VIII. 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 New York State certified minority and women-owned businesses (MWBES) in the performance of ESD contracts. No specific MWBE participation goals shall be required; however, Counsel shall adhere to ESD's Non-discrimination and Equal Employment Opportunity policy.

**IX. REQUESTED ACTIONS**

The Directors are asked to: (1) make a determination of responsibility with respect to Counsel; and (2) authorize ESD to retain Counsel for financing related legal services as described in these materials, for a maximum amount of \$100,000.

**X. RECOMMENDATION**

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

**XI. ATTACHMENT**

Resolutions

July 16, 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE  
DEVELOPMENT - Moynihan Station Civic and Land Use Improvement Project -  
Authorization to Enter Into a Contract with the Law Firm of Orrick Herrington & Sutcliffe  
LLP to Provide Legal Services in Connection with the Financing of the Daniel Patrick  
Moynihan Station

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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 the law firm of Orrick Herrington & Sutcliffe LLP ("Counsel") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Counsel in an amount not to exceed \$100,000, 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.

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