

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

The mission of Empire State Development (“ESD”) is to promote a vigorous and growing state economy, encourage business investment and job creation, and support diverse, prosperous local economies across New York State through the efficient use of loans, grants, tax credits, real estate development, marketing and other forms of assistance.

Meeting of the Directors

Thursday  
July 27, 2017 – 9:30 a.m.

**AGENDA**

**FOR CONSIDERATION**

**I. CORPORATE ACTIONS**

- A. Appointment of Officer – Senior Vice President, Life Sciences
- B. Investment Report – Approval of Investment Report and Investment Guidelines and Authorization to Take Related Actions
- C. Statewide – Life Sciences Capital Assistance Program, New York State Urban Development Corporation Act (“UDC Act”) Section 16-aa – Authorization to Promulgate Rules and Regulations and Adopt Guidelines for the Implementation of the Life Sciences Capital Assistance Program; Authorization to Take Related Actions
- D. Statewide - Lake Ontario Small Business Recovery Fund – Authorization to Amend Guidelines; Authorization to Make Grants; Delegation of Authority; Authorization to Take Related Actions
- E. Statewide – New York State Industrial Hemp Processing Grant Fund (Capital Grants) – Authorization to Adopt Guidelines; Authorization to Make Grants; Delegation of Authority; Authorization to Take Related Actions

**REPORTS – Oral**

- A. President’s Report
- B. Loans and Grants – Summary of Projects

## II. PROJECTS

### SOUTHERN TIER REGION

- A. Regional Council Award - Watkins (Southern Tier Region – Schuyler County) – Watkins Brewery Holdings 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 Take Related Actions; Determination of No Significant Effect on the Environment; Waiver of Labor Peace Agreement
- B. Binghamton (Southern Tier Region – Broome County) – FlexTech Alliance Capital – Upstate Revitalization Initiative (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
- C. Southern Tier Region – Cornell Industrial Hemp Working Capital – Empire State Economic Development Fund – Competitiveness Improvement Program (Working Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

### LONG ISLAND REGION

- D. Regional Council Award - Wyandanch (Long Island Region - Suffolk County) – Wyandanch Rising Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

### CENTRAL NEW YORK REGION

- E. Regional Council Award – Cazenovia (Central New York Region - Madison County) – Dielectric Laboratories Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
- F. Regional Council Award - Skaneateles (Central New York Region - Onondaga County) – Camillus Mills 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

## II. **PROJECTS - Continued**

### **NEW YORK CITY REGION**

- G. Bronx (New York City Region – Bronx County) – Grow NYC – Upstate Agriculture Economic Development Program (Capital Grant) - Findings and Determinations Pursuant to Sections 16-s and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
- H. Regional Council Award – Brooklyn (New York City Region - Kings County) – BioBAT 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
- I. New York (New York City Region – New York County) – The New York Stem Cell Foundation 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
- J. New York (New York City Region – New York County) – New York Genome Center Life Science Capital – Life Sciences Initiative 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 Take Related Actions

### **NEW NY BROADBAND PROGRAM CONSENT CALENDAR**

- K. New NY Broadband Program - Phase 2 Awards, New NY Broadband 2015-16 Capital Fund - Consent Calendar – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions

#### **New NY Broadband Program 2015-2016 Capital Fund**

- A. CSC Holdings LLC (d/b/a Altice USA) – Barrier Beach Broadband Capital (Long Island Region) - \$867,281
- B. Armstrong Telephone Company – ATC Phase 2 Broadband Capital (Southern Tier and Western NY Regions) - \$13,204,315
- C. Armstrong Telecommunications, Inc. – ATI Phase 2 Area 1 Broadband Capital (Finger Lakes, Southern Tier and Western NY Regions) - \$15,770,106
- D. Armstrong Telecommunications, Inc. – ATI Phase 2 Area 2 Broadband Capital (Western NY Region) - \$12,236,307
- E. Armstrong Telecommunications, Inc. – ATI Phase 2 Area 3 Broadband Capital (Western NY Region) - \$5,560,242

**II. PROJECTS - Continued**

**MARKET NY GRANT PROGRAM – MARKET NEW YORK-TOURISM MARKETING COMPETITION**

- L. Market NY Grant Program – Market New York – Tourism Marketing Competition (Working Capital Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions

**Market NY Program**

- A. Baseball Hall of Fame Museum Working Capital – National Baseball Hall of Fame & Museum Inc. (Otsego County) - \$333,750  
B. Rochester Fringe Festival 2017 Working Capital – Rochester Fringe Festival, Inc. (Monroe County) - \$300,500

**STATEWIDE – NEW YORK ELECTRIC GENERATION FACILITY CESSATION MITIGATION PROGRAM**

- M. Statewide – New York Electric Generation Facility Cessation Mitigation Program – Authorization to Make Grants and to Take Related Actions

- A. Huntley Power LLC- Town of Tonawanda (Erie County) - \$1,782,068

**RESTORE NEW YORK COMMUNITIES**

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

- A. Camillus – Restore III – Downtown Redevelopment – Village of Camillus (Onondaga County) - \$2,343,500

**III. NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

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

**Executive (Arts/Cultural)**

- A. American Museum of Natural History – Math and Science Capital – American Museum of Natural History (New York County) - \$5,000,000

**Executive (Transformative Investment Program)**

- B. Stony Brook University I-DIME Capital – Stony Brook University (Suffolk County) – \$75,000,000



**IV. ENTREPRENURIAL ASSISTANCE PROGRAM**

- A. Statewide - Entrepreneurial Assistance Program (“EAP”) – (Training and Technical Assistance Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make Grants and Take Related Actions

**V. MARKET ORDER PROGRAM**

- A. Contract for Research Services of the New York State Onion Industry Through Cornell University – Authorization to Enter into a Contract for Research Services of the New York State Onion Industry Relating to the Marketing Order Program; and Authorization to Take Related Actions
- B. Contract for Research Services of the New York State Cabbage Industry Through Cornell University – Authorization to Enter into a Contract for Research Services of the New York State Cabbage Industry Relating to the Market Order Program; and Authorization to Take Related Actions

**VI. ADMINISTRATIVE ACTION**

- A. Amendment to Extend Term of Contract to Provide Marketing Services Including Advertising, Digital Marketing, Events, Media Planning and Buying Services – Authorization to Amend an Existing Contract with Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald New York (“CE-NY”); Authorization to Take Related Actions

**VII. MOYNIHAN STATION DEVELOPMENT CORPORATION CIVIC AND LAND USE IMPROVEMENT PROJECTS**

- A. New York City (New York County) – Penn Station – Farley Complex - Moynihan Station Civic and Land Use Improvement Project – Authorization to Enter into a Contract for Integrity Monitor Services; and Authorization to Take Related Actions
- B. New York City (New York County) - Moynihan Station Civic and Land Use Improvement Project – Authorization to Amend a Contract with the Law Firm of Orrick Herrington & Sutcliffe LLP to Continue to Provide Legal Services in Connection with the Financing of the Danial Patrick Moynihan Train Hall
- C. New York City (New York County) – Empire Station Complex - Moynihan Station Civic and Land Use Improvement Project – Authorization to Amend a Contract with Jones Lange LaSalle Americas, Inc. d/b/a Jones LaSalle or JLL for Construction Advisor Services
- D. New York City (New York City) – Penn Station – Farley Complex - Moynihan Station Civic and Land Use Improvement Project – Authorization to Amend a Contract with Skidmore, Owings & Merrill LLP (“SOM”) for Architectural, Engineering, Design, Development and Related Services; and Authorization to Take Related Actions

**VII. MOYNIHAN STATION DEVELOPMENT CORPORATION CIVIC AND LAND USE IMPROVEMENT PROJECTS - Continued**

- E. New York City (New York County) – Penn Station – Farley Complex - Moynihan Station Civic and Land Use Improvement Project – Authorization to Assume and Amend an Agreement with the National Railroad Passenger Corporation (“Amtrak”) for Force Account Services Related to Moynihan Train Hall; Authorization to Take Related Actions

**Item I. A.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Officer of the Corporation

REQUEST FOR: Appointment of Senior Vice President, Life Sciences

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I. BACKGROUND

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

**Maria K. Mitchell, Ph.D.**      **Senior Vice President, Life Sciences**

It is proposed that Dr. Mitchell be appointed to the Senior Vice President, Life Sciences effective as of April 4, 2017.

As Senior Vice President, Life Sciences, Dr. Mitchell will develop, lead and manage services to assist, develop and encourage life science research and business in New York State. In this role, Dr. Mitchell will work with all ESD departments and external partners including SUNY, CUNY, community college and private college campus liaisons to coordinate and advance the Governor's Life Sciences Initiative Program. This Initiative is intended to attract new life sciences technologies, promote critical public and private sector investment in emerging life sciences fields in New York State and create and expand life sciences businesses and employment.

Dr. Mitchell brings to this position a long history of service in the field of health sciences. Prior to joining ESD, Dr. Mitchell served for 17 years as the Founding President and CEO of The Academy of Medical Development and Collaboration ("AMDEC"), a partnership of 20 of New York's pre-eminent medical schools, academic health centers and research institutions created to re-establish the State's leadership in biomedical research and biotechnology and encourage research collaboration. Prior to founding AMDEC, Dr. Mitchell served for 3 years as a Special Advisor for Health Policy to the Mayor of the City of New York. Dr. Mitchell has also served as Chair of the Board of the New York City Health and Hospitals Corporation and as President and Chief Operating Officer of the National League for Nursing/Community Health Accreditation Program.

Dr. Mitchell holds a Ph.D. in Political Science from the City University of New York, an M.S. dual degree in Health Policy and Pediatric Primary Care (including certification as Pediatric Nurse Practitioner) from the University of Maryland and a B.S. in Nursing from Niagara University.

II. REQUESTED ACTION

The Directors are requested to approve, on the terms described herein, the appointment of Dr. Maria Mitchell to the office of Senior Vice President, Life Sciences, effective April 4, 2017; to confirm her as an officer of the Corporation within the meaning of the indemnification provisions of the Corporation's bylaws; and to ratify any and all actions taken by her since her nomination to this position on April 4, 2017.

ATTACHMENT  
Resolutions

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE  
DEVELOPMENT – Officer of the Corporation – Appointment of Senior Vice President, Life  
Sciences

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BE IT RESOLVED, that the following individual be, and she hereby is, appointed to the office which appears opposite her name, until her earlier resignation or removal, such appointment to be effective as of April 4, 2017:

<u>NAME</u>	<u>OFFICE</u>
Maria Mitchell	Senior Vice President, Life Sciences;

and be it further

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

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

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**Item. I. B.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard Zemsky

SUBJECT: Investment Report

REQUEST FOR: Approval of Investment Report and Investment Guidelines and  
Authorization to Take Related Actions

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Background

Section 2925 of the Public Authorities Law (the "Law") requires annual approval by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD" or the "Corporation") of the "Investment Report" and "Investment Guidelines".

The ESD Investment Report (the "Report") for the Fiscal Year ended March 31, 2017 is attached hereto. It includes (1) ESD Investment Guidelines ("Guidelines"); (2) Results of the Annual Independent Audit; (3) Investment Performance and Income Records; (4) Statement of Fees, Commissions and Related Service Charges; and (5) the Investment Portfolio as of March 31, 2017 with market value.

Investment Guidelines

The Guidelines were readopted with the Investment Report in July 2016. The Law requires that in addition to annual approval of the Report, the Guidelines must also be annually reviewed and approved by the Corporation. The Guidelines include, among other things, a list of permitted Corporate investments, as well as procedures and provisions to secure the Corporation's financial interest in its investments.

Investment Income

For the fiscal year 2016-17, there were total investment earnings of \$9.9 million (prior fiscal year was \$5.0 million). Investment income was applied to corporate requirements, revenue bond portfolio debt service, and various economic development projects and programs.



## Investment Portfolio

For the fiscal year 2016-17 the Corporation had average investments of \$2.0 billion (prior fiscal year was \$2.4 billion). The portfolio had an average maturity of 95 days (prior fiscal year was 85 days) and an average yield of 0.48% (prior fiscal year was 0.21%). As a benchmark, the average yield for U.S. T-bills with a 3 month maturity was 0.37% for the fiscal year; additionally, the average yield for U.S. Agency Discount Notes with a 3 month maturity was 0.41% for the fiscal year. As of fiscal year end 3/31/17, the portfolio yield was 0.68%, and U.S. T-bills and U.S. Agency Discount Notes represented approximately 99% of the portfolio.

The portfolio design reflects the need for a high degree of liquidity and a very low interest rate environment. These funds are used to accommodate:

- Construction Drawdown Schedules
- Debt Service Payment Schedules
- Requirements under Bond Indentures
- Project Closing and Disbursement Schedules
- Corporate Operating Expenses

**Investments are summarized as follows:**

Par amount  
in millions  
as of 3/31/17

**ESD Corporate, Economic Dev., Subsidiary and Other Funds**

Corporate Operations, Reserves & Other Restricted Funds	\$ 348.1
Restricted Econ. Dev. Programs and Projects	\$ 344.5
Subsidiary & Other Purposes	<u>\$ 123.3</u>

Total \$ 815.9

**Revenue Bonds Project Funds:**

Service Contract Revenue Refunding Bonds	\$ 35.2
Personal Income Tax Revenue Bonds – General Purpose	\$ 712.8
Personal Income Tax Revenue Bonds – Other	\$ 7.6
Other Bonds	<u>\$ 33.7</u>

Total \$ 789.3

**Grand Total \$ 1,605.2**

**Requested Action**

The Directors are asked to adopt the attached Investment Guidelines and Investment Report, and to authorize the taking of related actions.

**Attachments**

Resolution  
Annual Investment Report

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE  
DEVELOPMENT – (the “Corporation”) Approval of the Investment Guidelines and  
Investment Report and Authorization to Take Related Actions

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WHEREAS, the Corporation wishes to comply with Section 2925 of the Public Authorities Law ("Law") which mandates that public benefit corporations annually prepare and approve an Investment Report ("Report") which includes, among other things, the Corporation's Investment Guidelines ("Guidelines") and

WHEREAS, said Law also requires the annual review and approval of its Guidelines; and

WHEREAS, the Corporation has prepared the Report for the fiscal year ended March 31, 2017; and

WHEREAS, the Corporation adopted Guidelines in 1984 which have been amended and were most recently approved by the Corporation on July 21, 2016; and

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

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Guidelines as amended are hereby approved and it is further

RESOLVED, that the Report is hereby approved; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial Officer, the 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 of the Guidelines, and the Report and to take related actions.

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NEW YORK STATE URBAN DEVELOPMENT CORPORATION  
D/B/A EMPIRE STATE DEVELOPMENT

ANNUAL INVESTMENT REPORT  
FISCAL YEAR ENDED MARCH 31, 2017

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**NEW YORK STATE URBAN DEVELOPMENT CORPORATION  
d/b/a EMPIRE STATE DEVELOPMENT  
INVESTMENT GUIDELINES, AS AMENDED**

**Introduction**

On January 19, 1984, the New York State Urban Development Corporation adopted comprehensive corporate investment guidelines as required by Section 2925 of the New York Public Authorities Law. The following comprehensive corporate Investment Guidelines amend and restate the guidelines previously adopted in compliance with the requirement for periodic review and updating of Investment Guidelines set forth in Section 2925 and in the Investment Guidelines for Public Authorities adopted by the Comptroller of the State of New York in July 1987. The Investment Guidelines were last approved by the Corporation in July 2016.

**ARTICLE ONE**

Definitions

As used herein the terms set forth below are defined as follows:

- 1.1 "Comptroller" means the State Comptroller.
- 1.2 "Corporation" means the New York State Urban Development Corporation, d/b/a Empire State Development, as a corporate governmental agency of the State of New York, constituting a public benefit corporation and a political subdivision, established pursuant to Chapter 174 of the Laws of 1968 of the State of New York.
- 1.3 "Investment Funds" means all monies and financial resources available for investment by the Corporation, other than proceeds of bonds issued by the Corporation.
- 1.4 "Repurchase Agreement" means a repurchase agreement satisfying the requirements set forth in Article Four herein.
- 1.5 "Securities" means any or all of the investment obligations of the categories described in Section 4.1 of Article Four herein.
- 1.6 "State" means the State of New York.

## ARTICLE TWO

### Scope

These guidelines shall govern the investment and reinvestment of Investment Funds and the sale and liquidation of investments, as well as the monitoring, maintenance, accounting, reporting and internal controls by and of the Corporation with respect to such investment, sale, reinvestment and liquidation.

## ARTICLE THREE

### Investment Objectives

The Corporation's investment activities shall have as their first and foremost objective the safeguarding of the principal amount of the Investment Funds. Additional considerations regarding the Corporation's investment activities shall be liquidity of investments, realization of a reasonable return on investments and diversification of investments.

## ARTICLE FOUR

### Permissible Investments

4.1 The Corporation may invest its Investment Funds in any and all of the following, if and to the extent permitted by statutes, regulations and bond resolutions applicable at the time of investment of such Investment Funds:

- 1) Any bonds and other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by the United States of America;
- 2) Any bonds and other obligations which as to principal and interest constitute direct obligations of the State or the Corporation or which are unconditionally guaranteed by the State as to payment of principal and interest;
- 3) Bonds and other obligations of governmental authorities, political subdivisions, Federal Agencies, Government Sponsored Enterprises (GSE's) or public authorities of the State or of the United States of America, which are securities in which the Corporation lawfully may invest pursuant to applicable statutes, regulations and bond resolutions including but not limited to Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home

Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC-“Freddie Mac”), and Student Loan Marketing Association (SLMA-“Sallie Mae”);

- 4) Prime Commercial Paper issued by domestic banks, corporations and financial companies rated "A-1" or "P-1" by Standard & Poor's Corporation or Moody's Investors Service, Inc.;
- 5) Certificates of Deposit of banks or trust companies authorized to do business in this State, including commercial banks who participates in New York State Excelsior Linked Deposit programs and are authorized program depositories, which certificates of deposit are fully insured by the Federal Deposit Insurance Corporation or fully secured, as required by Section 4.3.1 below, by securities of the character described in clauses (1), (2) or (3) of this paragraph;
- 6) Subject to the requirements of Section 4.2 below, any repurchase agreement with any bank or trust company authorized to do business in the State of New York or with any broker-dealers included in the Federal Reserve Bank of New York's list of primary government security dealers, which agreement is secured by securities of the character described in clauses (1), (2) or (3) of this paragraph;
- 7) Real property;
- 8) Units, shares or interest in a mutual fund or money market fund of regulated investment companies which seek to maintain a constant net asset value per share of \$1.00 and have been rated in one of the two highest categories by at least one nationally recognized ratings organization and invests in instruments described in clauses (1), (2) or (3) of this paragraph.

4.1.1 The Corporation may invest its Small Business Technology Investment Fund, or any successor entity, in all types of equity investments, including but not limited to stock, convertible debt and debts with warrants in addition to the other permitted investments referenced above.

#### 4.2 Specific Requirements Governing Repurchase Agreements

4.2.1 Eligible Sellers. The Corporation shall enter into Repurchase Agreements only with banks or trust companies authorized to do business in the State or from broker-dealers on the Federal Reserve Bank of New York's list of primary government securities dealers and only after the Corporation's Chief Financial Officer or Treasurer has reviewed such firm's capitalization and the Corporation's Chief Financial Officer and Chief Executive Officer have set a limit on the amount of monies that the Corporation may invest with such firm at any one time. The

placement of Repurchase Agreements shall be distributed among several authorized firms to reduce the level of risk. The investment limit set for each such firm shall not be exceeded unless the Chief Financial Officer, the Chief Executive Officer or the Controller of the Corporation makes a written finding that sufficient Securities are not available from other eligible firms. Not less frequently than once each year, the Corporation's Chief Financial Officer or Treasurer shall review and, if appropriate, recommend adjustment of the investment limit for each eligible seller in light of such firm's current capitalization. All investment limit adjustments shall require the approval of the Chief Financial Officer and Chief Executive Officer.

4.2.2 Eligible Custodian Banks. To be eligible to hold the Securities which are the subject of a Repurchase Agreement, a custodial bank should be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of Securities to the credit of the Corporation. Transfer of Securities, whether by book entry or physical delivery, should be confirmed in writing to the Corporation by the custodial bank. The custodian should not be the same party that is selling the Securities. The Corporation's Directors must affirmatively find that a proposed custodial bank is financially sound before such bank may be eligible to perform custodial services for the Corporation.

4.2.3 Maximum Maturity of Repurchase Agreements. There shall be no "open repurchase" agreements. Repurchase Agreements shall be limited to a maturity not to exceed ten (10) working days. Collateral shall have maturities not exceeding thirty (30) years.

4.2.4 Standard Terms for Repurchase Agreements. The Corporation shall execute a master Repurchase Agreement with each broker-dealer which outlines the basic rights of both buyer and seller including:

- (a) The events of default which would permit the Corporation to liquidate or purchase the underlying Securities;
- (b) The relationship between parties to the agreement, which should ordinarily be purchaser and seller;
- (c) A requirement that there be a written contract with the custodial bank outlining the responsibilities of the bank and the parties to the agreement. Such an agreement must provide, among other things, that the custodial bank will not make payment for the Securities until the bank actually receives them and that the custodial bank takes possession of the Securities exclusively for the Corporation and that any claims of the custodial bank are subordinate to those of the Corporation;



- (d) Procedures which ensure that the Corporation obtains a perfected security interest in the underlying Securities. The Corporation or its custodian must take possession of the Securities being purchased by physical delivery or book entry. Furthermore, the written agreement shall contain a provision that, in the event a court of final jurisdiction construes the specific Repurchase Agreement to be a loan, the seller shall be deemed to have granted the Corporation a perfected security interest in the purchased Securities;
  
- (e) The market value of the Securities purchased under a repurchase transaction must be at least equal to the purchase price. The value of the Securities must be monitored and marked to market on a daily basis. Additional Securities shall be required if market fluctuations cause the market value of the purchased Securities to become less than the purchase price. The Corporation's Chief Financial Officer or Treasurer shall establish the method of computing margin maintenance requirements and providing for timely correction of margin deficiencies or excesses, taking into consideration:
  - (i) the size and terms of the transaction;
  - (ii) the type of underlying Security;
  - (iii) the maturity of the underlying Security;
  - (iv) the capitalization, financial status and type of purchaser and/or seller; and
  - (v) the method by which additional margin will be maintained; and
  
- (f) Circumstances, if any, under which substitution of Securities subject to the agreement shall be permitted.

4.3 Specific Requirements Regarding Certificates of Deposit.

4.3.1 Collateral Requirements. To the extent that the Corporation's investment in a certificate of deposit is less than fully insured by the Federal Deposit Insurance Corporation, the uninsured portion shall be fully collateralized by Securities (other than Repurchase Agreements). Collateral for a certificate of deposit must be reviewed at least weekly to determine if the market value of the Securities equals or exceeds the principal amount of the uninsured portion of the certificate of deposit plus accrued interest. If the market value of the Securities is insufficient, the issuer of the certificate of deposit must exchange or add to the

amount of collateral to bring its market value to equal or exceed the uninsured portion of the principal amount of the certificate of deposit plus accrued interest.

4.3.2 Standard Terms for Certificate of Deposit Collateral Agreement. The Corporation shall negotiate and enter into a written agreement with each bank (and custodian) from which it has obtained a certificate of deposit. Such written agreement shall, at a minimum, address the following concerns:

- (a) The frequency of the valuation of the collateral to market, as set forth above (such valuation shall be done by the Corporation at least weekly);
- (b) The right and ability of the bank to substitute like Securities as collateral;
- (c) Description of events of default which would permit the Corporation or its custodian to liquidate or purchase the underlying Securities;
- (d) Description of the party who is to have title to the underlying Securities during the term of the agreement;
- (e) With respect to the custodial bank, the agreement shall also provide that the custodial bank takes possession of the Securities as agent of the Corporation and that the claims of the custodial bank are subordinate to those of the Corporation.

## ARTICLE FIVE

### Operating Procedures

5.1 Authorized Officers and Employees. Only the following persons shall be authorized to make investment decisions on behalf of the Corporation: the Chairman of the Corporation's Directors; the President and Chief Executive Officer; the Chief Financial Officer; the Treasurer or Assistant Treasurers; the Controller, and the Executive Vice President-Legal. The implementation of such investment decisions by placement of purchase or sale orders or otherwise shall be effected only by the foregoing officers and employees and by such employees as may from time to time be designated in writing by the Chief Financial Officer and Treasurer.

5.2 Standards for the Qualification of Brokers, Dealers and Agents. Any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer which is authorized to do business in the State may become qualified by the Corporation

to transact purchases and sales of Securities (other than Repurchase Agreements) with the Corporation. Factors to be considered in determining the qualification of such firms shall include the firm's capitalization, quality, size and reliability, the Corporation's prior experience with the firm, the firm's level of expertise and prior experience with respect to the contemplated transaction. The determination of qualification shall be made by the Chief Financial Officer and the Treasurer, who shall maintain a list of all such qualified firms.

5.3 Standards for the Qualification of Investment Advisors. For the purpose of rendering investment advice to the Corporation, the Corporation may qualify any bank or trust company organized under the laws of any state of the United States of America, any national banking association, and any partnership, corporation, or person which is:

- (a) Authorized to do business in the State;
- (b) Registered with the Securities & Exchange Commission under the Investment Advisor Act of 1940;
- (c) Registered with the New York State Secretary of State as an Investment Advisor; and
- (d) A member in good standing of the Investment Counsel Association of America.

The Corporation also shall consider the additional criteria (other than capitalization) enumerated in the preceding paragraph.

5.4 Standards for the Qualification of Custodial Banks. To be eligible to hold Securities as collateral for an investment made by the Corporation, a custodial bank should be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of Securities to the credit of the Corporation. Transfer of Securities, whether by book entry or physical delivery, should be confirmed to in writing to the Corporation by the custodial bank. The custodian should not be the same party that is selling the Securities. To be eligible to perform custodial services, the Corporation's Directors must affirmatively find that the proposed custodial bank is financially sound.

5.5 Competitive Bids; Negotiated Prices. In connection with the purchase and sale of Securities, for each transaction in excess of two and one-half million dollars (\$2,500,000.00) (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), the Corporation shall utilize competitive quotations. For each transaction which is equal to or less than two and one-half million dollars (\$2,500,000.00) (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), the Corporation may utilize either competitive quotations or negotiated prices. The foregoing shall not apply to the purchase of government securities referred to in section 4.1 (1) at initial

auction or to the purchase of investments referred to in section 4.1 (3) which are new securities priced directly by the respective issuer. A complete and continuous record of all quotes, solicited and received, shall be maintained by the Treasury Department.

For each transaction (other than the purchase of governmental securities at initial auction or new securities priced directly by the respective issuer) in excess of two and one-half million dollars (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), a minimum of three separate solicitations will be made on each direct purchase or sale of a Security (including a Repurchase Agreement). The transaction shall be awarded to the dealer(s) offering the highest yield or return, provided that, with respect to Repurchase Agreements, the amount of the investment with each individual firm does not exceed the investment limit referred to in Section 4.2.1 above.

5.6 Written Contracts and Confirmations. A written contract and/or a written confirmation shall be a required for each investment transaction. With respect to the purchase or sale of Securities other than Repurchase Agreements, the Corporation shall not be required to enter into a formal written contract, provided that the Corporation's oral instructions to its broker, dealer, agent, investment advisor or custodian with respect to such transactions are confirmed in writing at the earliest practicable moment. A written contract shall be required for each purchase and sale of a Repurchase Agreement.

5.7 Payment. Payment for investments shall be made only upon written confirmation of presentation of the physical Security, or in the case of book-entry form Securities, when credited for the custodian's account, which shall be segregated for the Corporation's sole use. The custodian may act on oral instructions from an authorized officer of the Corporation or their designee, such instructions to be confirmed in writing immediately by an authorized officer of the Custodian. Such collateral shall, on the date of purchase, be at least equal in market value to the amount of the investment.

5.8 Collateral. Except as specifically otherwise provided herein, the Corporation's financial interest in its investments shall be fully secured or collateralized at all times in an amount not less than the original amount invested plus accrued, unpaid interest thereon. Securities permissible for investment by the Corporation pursuant to these Guidelines (other than Repurchase Agreements) may be accepted as collateral. Contracts of financial guaranty, surety or other similar bonds or instruments purchased from an insurance company holding the highest rating afforded by any nationally recognized rating organization may be acceptable as collateral. Pledges of proportionate interests in pooled collateral shall not constitute acceptable collateral. In the case of certificates of deposit and demand and time deposits, collateral shall be provided for amounts in

excess of the applicable limit of coverage provided by the Federal Deposit Insurance Corporation. Collateral shall be maintained in the custody of the Corporation or an approved third party custodian at all times. To assure that, at all times, the market value of said collateral is at least equal to the original amount invested plus all accrued, unpaid interest, collateral shall be marked to market at the time the investment is made and thereafter weekly.

5.9 Operating Procedure Manual. The Corporation's Treasurer shall prepare a Standard Operating Manual for placing, controlling and reporting of all investment activity which shall be consistent with these guidelines, be approved by the Corporation's Chief Financial Officer or Controller and shall be consistent with the following:

- (a) Each disbursement of funds (and corresponding receipt of Securities) or delivery of Securities (and corresponding receipt of funds) should be based upon proper written authorization. If the authorization is initially given orally, there should be written confirmation from the Corporation's authorized officer to the custodian;
- (b) The process of initiating, reviewing and approving requests to buy and sell Securities should be documented and retained for audit purposes;
- (c) Custodians must have prior authorization from the Corporation to deliver obligations and collateral. All transactions must be confirmed in writing to the authority. Delivery of obligations sold should only be made upon receipt of funds;
- (d) Custodial banks should be required to report whenever activity has occurred in the Corporation's custodial account;
- (e) There should be at least monthly verifications of both the principal amount and the market values of all investments and collateral. Appropriate listings should be obtained from the custodian and compared against the Corporation's records;
- (f) A record of investments shall be maintained by the Corporation's Treasurer. The records should identify the Security, the fund for which held, the place where kept, date of disposition and amount realized and the market value and custodian of collateral;
- (g) The establishment and maintenance of a system of internal controls;
- (h) Methods for adding, changing or deleting information contained in the investment record, including a description of the documents to be

created and verification tests to be conducted;

- (i) A data base or record incorporating descriptions and amounts of investments, transaction dates, interest rates, maturities, bond ratings, market prices and related information necessary to manage the portfolio; and
- (j) Requirements for periodic reporting and a satisfactory level of accountability.

## ARTICLE SIX

### Reports and Audits

The following reports and audits shall be prepared in connection with the Corporation's investment program.

6.1 Annual Investment Report. As required by Section 2925(6) of the Public Authority Law, annually the Chairman shall submit to the Directors and the Corporation shall file with the State Division of the Budget, Comptroller, State Senate Finance Committee and Assembly Ways and Means Committee an annual investment report, prepared with the assistance of the Chief Financial Officer and Controller, which shall include the following:

- 1) The Investment Guidelines required by Section 2925(3) of the Public Authorities Law and any amendments to such guidelines since the last investment report;
- 2) An explanation of the Investment Guidelines and amendments;
- 3) The results of the Annual Investment Audit (described below);
- 4) The investment income record of the Corporation; and
- 5) A list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the date of the last investment report.

6.2 Annual Investment Audit. Each year, the Corporation shall cause its independent

auditors to conduct an audit (the "Annual Investment Audit") regarding the Corporation's investments. (The Corporation's financial statements with respect to investments, which are required to be prepared in conformance with generally accepted accounting principles for governments ("GAAP"), should contain all of the note disclosures on deposits with financial institutions and investments required by the Governmental Accounting Standards Board Statements No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements" dated April 1986). The Annual Investment Audit:

- 1) Shall determine whether: the Corporation complies with its own investment policies; investment assets are adequately safeguarded; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the Corporation's assets; and a system of adequate internal controls is maintained.
- 2) Shall determine whether the Corporation has complied with applicable laws, regulations and State Comptroller's Investment Guidelines; and
- 3) Should be designed to the extent practical to satisfy both the common interest of the Corporation and the public officials accountable to others.

6.3 Annual Investment Audit Report. The results of the Annual Investment Audit shall be set forth in a report (the "Annual Investment Audit Report") which shall include without limitation:

- 1) verification of collateral;
- 2) a description of the scope and objectives of the audit;
- 3) a statement that the audit was made in accordance with generally accepted government auditing standards;
- 4) a description of any material weaknesses found in the internal controls;
- 5) a description of all non-compliance with the Corporation's investment policies as well as applicable laws, regulations and the State Comptroller's Investment Guidelines;
- 6) a statement of positive assurance of compliance on the items tested and negative assurance on those items not tested;
- 7) a statement on any other material deficiency or finding identified during

the audit not covered in (6) above; and

- 8) recommendations, if any, with respect to amendment of these Guidelines.

The Annual Investment Audit Report shall be filed within ninety (90) days after the close of the Corporation's fiscal year with the Coordinator of Public Authority Programs, Office of the State Comptroller, A. E. Smith Office Building, Albany, NY 12236.

## **ARTICLE SEVEN**

### Affirmative Action

A program of Affirmative Action shall apply with respect to the Corporation's corporate investment activities. The Corporation shall seek to encourage participation by minority and women-owned financial services firms in the conduct of its corporate investment activities.

## **ARTICLE EIGHT**

### Miscellaneous

- 8.1 In connection with the Annual Investment Audit, each year the Corporation shall review these guidelines to determine whether the Corporation shall amend or otherwise update them.
- 8.2 The Corporation's policy regarding conflicts of interest shall be followed regarding the investment of funds.



## Explanation of Investment Guidelines & Amendments

On January 19, 1984, the New York State Urban Development Corporation adopted comprehensive corporate investment guidelines as required by Section 2925 of the New York Public Authorities Law. The Guidelines have been amended and restated over time in compliance with the requirement for periodic review and updating of investment guidelines set forth in Section 2925 and in the Investment Guidelines for Public Authorities adopted by the Comptroller of the State of New York in July 1987. The Guidelines include, among other things, a list of permitted Corporate investments, as well as procedures and provisions to secure the Corporation's financial interest in its investments. There are no recommended changes to the Investment Guidelines.

When making investment decisions the first priority that is considered is the preservation of capital; after that liquidity, and then return on investment are evaluated. There are numerous projects and programs whose funding needs must be accommodated; frequently these funding requirements occur on short notice. The safety and liquidity factors, combined with today's very low rate environment, result in a portfolio that currently has a short average maturity (for the fiscal year ended March 31, 2017 this average was 95 days).

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
New York State Urban Development  
Corporation:

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of New York State Urban Development Corporation and Subsidiaries (the "Corporation"), a component unit of the State of New York, as of and for the years ended March 31, 2017 and 2016, and the related notes to consolidated financial statements, which collectively comprise the Corporation's consolidated financial statements as listed in the table of contents.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An

audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the net position of New York State Urban Development Corporation and Subsidiaries as of March 31, 2017 and 2016, and the respective changes in net position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 19, the Schedule of Funding Progress - Other Postemployment Benefits - Last Three Years on page 69, the Schedule of Corporation's Proportionate Share of the Net Pension Liability on page 70, and the Schedule of Corporation's Employer Pension Contributions on page 71 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 15, 2017, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

In accordance with Government Auditing Standards, we have also issued our report dated June 15, 2017 on the Corporation's compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York. The purpose of that report is to provide an opinion as to the Corporation's compliance with investment guidelines contained therein. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 15, 2017

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
New York State Urban Development  
Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the consolidated financial statements of New York State Urban Development Corporation and Subsidiaries (the "Corporation"), a component unit of the State of New York, which comprise the consolidated statement of net position as of March 31, 2017, and the related consolidated statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated June 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 15, 2017

## INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE

The Board of Directors  
New York State Urban Development  
Corporation:

### Report on Investment Compliance

We have audited the New York State Urban Development Corporation and Subsidiaries' (the "Corporation"), a component unit of the State of New York, compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York for the year ended March 31, 2017.

### Management's Responsibility

Management is responsible for compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York.

### Auditor's Responsibility

Our responsibility is to express an opinion on investment compliance based on our audit of the compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on investment compliance. However, our audit does not provide a legal determination of the Corporation's compliance.

### Opinion on Investment Compliance

In our opinion, the New York Urban Development Corporation and Subsidiaries complied, in all material respects, with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York for the year ended March 31, 2017.

Other

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws and regulations that have a material effect on the Corporation's compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our audit to express an opinion on whether the Corporation complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over compliance with those requirements or other matters; accordingly, we express no such opinion. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management of the Corporation, the New York State Office of the State Comptroller, the New York State Division of the Budget, and the New York State Corporation Budget Office and is not intended to be and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 15, 2017



**EMPIRE STATE DEVELOPMENT  
INVESTMENT SUMMARY  
AS OF MARCH 31, 2017**

<b>FUNDS/PROGRAMS (a)</b>	<b>PAR AMOUNT (\$000'S)</b>	<b>AVERAGE WEIGHTED YIELD (%)</b>	<b>AVERAGE WEIGHTED MATURITY (DAYS)</b>
<b>CORPORATE</b>	<b>348,048</b>		
RESERVED FOR COMMERCIAL REAL ESTATE PROJ's (007, 008, 010)	81,665	0.62	60
CORP. OPERATIONS & VARIOUS RESTRICTED FUNDS (010)	162,678	0.59	94
EXCELSIOR LINKED DEPOSIT PROGRAM FUNDS (010) (i)	9,467	0.00	137
125 MAIDEN LANE FUND (025)	63,157	0.57	71
OPEB LIABILITY ACCT (026)	31,081	0.59	92
(i) YIELD IS USED FOR SUBSIDY PROGRAM			
<b>SUBSIDIARY &amp; OTHER PURPOSES</b>	<b>123,319</b>		
OTHER FUNDS (029)	11,563	0.62	42
REVENUE FUND (799)	111,756	0.62	100
<b>ECONOMIC DEVELOPMENT PROGRAM FUNDS</b>	<b>328,131</b>		
ED POOLED INV 2010 (010C)	81,137	0.60	5
RECYCLED LOAN LOSS RESERVED FUND (033)	2,006	0.68	10
EMPIRE STATE ED PROGRAM (050)	5,669	0.68	45
EMPOWERMENT ZONE - CITY (053)	7,233	0.74	25
INTEREST SUBSIDY FUND (054)	1,976	0.71	27
JOBS NOW (055)	3,493	0.74	24
USA NIAGARA (085)	8,528	0.68	75
SSBCI INNOVATED NY FUND (112P)	5,516	0.59	30
SSBCI NYS BD GUARANTEE ASSISTANT PROGRAM (113P)	3,009	0.57	10
SSBCI CAPITAL ACCESS PROGRAM (114P)	1,803	0.57	10
NY OPEN FOR BUSINESS (116P)	39,090	0.63	38
TRAIL REMAINING FD (123C)	3,010	0.57	10
INNOVATION VENTURE CAPITAL FUND (126)	14,009	0.75	31
BRONX PSYCH CTR DEV PROJECT IMPREST	1,500	0.63	24
ED PROGRAM FUND 2010 (143P)	1,486	0.51	76
MERF (146P)	33,749	0.59	83
SPECIAL LEGISLATIVE INITIATIVES (199P)	5,994	0.52	26
HIGH RISK MINORITY REVOLVING LOAN FUND (201P)	6,496	0.74	24
HIGH RISK MISC PROGRAM (202P)	3,053	0.71	27
HCDC SPECIAL PRGM (205S)	750	0.61	24
COMMUNITY PROJECT FUND MISC. (212P)	4,984	0.53	27
MINORITY & WOMEN BUSINESS DEV. LENDING (218P)	3,447	0.72	50
REGLL REVOLVING LOAN TRUST FUND LOCAL ASST. (225P)	2,471	0.51	55
URBAN & COMMUNITY DEV PROG. (226P)	1,495	0.71	27
HCDC HOUSING DEV. FUND (230S)	400	0.65	19
HCDC VICTORIA THEATRE (249S)	915	0.65	19
REGIONAL ECONOMIC DEV. LOCAL ASST. (262P)	1,470	0.51	55
ASSISTANT MUNI SCHOOL DISTRICT (280P)	20,058	0.65	57
ED GENERAL (310)	19,335	0.62	56
REGIONAL ECONOMIC DEV. PARTNERSHIP (312)	1,976	0.73	27
ERIE CANAL HARBOR DEV. (322)	6,328	0.60	53
INDUSTRIAL INCENT (327S)	5,025	0.74	52
QUEENS WEST DEV. CORP. (460S)	9,189	0.64	42
NEW NEW YORK (474C)	2,483	0.71	27
PA DISNEY TRUST NEW AMSTERDAM (504S)	10,292	0.63	60
ONE BRYANT PARK GENERAL REVENUE (529S)	6,752	0.58	53
ED INCOME (618P)	2,004	0.65	19
<b>FARLEY</b>	<b>8,043</b>		
FARLEY CONSTRUCTION ACCOUNT (168C)	8,026	0.74	52
CAPITALIZED INTEREST FUND 2015 COP's (437)	17	0.85	181

**EMPIRE STATE DEVELOPMENT  
INVESTMENT SUMMARY  
AS OF MARCH 31, 2017**

<b>FUNDS/PROGRAMS (a)</b>	<b>PAR AMOUNT (\$000'S)</b>	<b>AVERAGE WEIGHTED YIELD (%)</b>	<b>AVERAGE WEIGHTED MATURITY (DAYS)</b>
UDC/COMMUNITY ENHANCEMENT FACILITIES -SERIES 1998	4,725		
ERIE CO. STAD. CONSTRUCTION FUND (060)	4,725	0.74	38
UDC/CLARKSON UNIVERSITY LOAN '95 REFUNDING	647		
BOND SERVICE FUND (624)	83	0.71	90
DEBT SERVICE RESERVE FUND, (625)	564	0.85	181
UDC/COLUMBIA UNIVERSITY PROJECT REVENUE BONDS	10,372		
BOND SERVICE FUND (415)	5,560	0.65	88
DEBT SERVICE RESERVE FUND, (378)	4,812	0.58	90
UDC/CORNELL UNIVERSITY LOAN PROJECT REVENUE BONDS	1,456		
BOND SERVICE FUND (380)	750	0.68	88
DEBT SERVICE RESERVE FUND, (381)	706	0.60	83
UDC/STATE OFFICE FACILITIES BONDS '95 REFUNDING	10,377		
DEBT SERVICE RESERVE FUND, (618)	10,377	0.44	24
UDC/UNIVERSITY GRANTS '95 REFUNDING	1,466		
DEBT SERVICE RESERVE FUND, (609)	888	0.85	181
BOND SERVICE FUND (783)	578	0.71	90
UDC/PERS. INC. TAX '02 C1	373		
CORRECTIONAL PROJ. FUND (747)	373	0.67	69
UDC/PERS. INC. TAX '02 D	139		
S.I.P. PROJ. FUND (755)	139	0.67	69
UDC/PERS. INC. TAX '03 B	294		
EQUIP. PROJ. FUND (777)	144	0.67	69
CORR. PROJ. FUND (808)	150	0.67	69
UDC/PERS. INC. TAX '03 C1	946		
CCAP PROJ. FUND (771)	6	0.67	69
EOF PROJ. FUND (772)	579	0.67	69
SPORT PROJ. FUND (773)	361	0.67	69
UDC/PERS. INC. TAX '04 A3	1,785		
BOND SERVICE FUND (821)	1,785	0.63	13
UDC/PERS. INC. TAX '04 B3	57		
EOF FUND (823)	57	0.85	181
UDC/PERS. INC. TAX '05 B	165		
EQUIP. PROJ. FUND (868)	165	0.62	62
UDC/PERS. INC. TAX '08 A1	3,121		
ECON. DEVELOPMENT FUND (898)	2,266	0.89	179
CULTURAL FUND (899)	846	0.67	69
CEFAP FUND (902)	9	0.71	83
UDC/PERS. INC. TAX '08 A2	442		
TECHNOLOGY FUND (907)	442	0.67	69
UDC/PERS. INC. TAX '09 A2	22		

**EMPIRE STATE DEVELOPMENT  
INVESTMENT SUMMARY  
AS OF MARCH 31, 2017**

<u>FUNDS/PROGRAMS (a)</u>	<u>PAR AMOUNT (\$000'S)</u>	<u>AVERAGE WEIGHTED YIELD (%)</u>	<u>AVERAGE WEIGHTED MATURITY (DAYS)</u>
BOND SERVICE (917)	22	0.62	62
UDC/PERS. INC. TAX '09 B1. BOND SERVICE (935)	249 249	0.67	69
UDC/ CORR./YOUTH S.C.REF. '02B BOND SERVICE FUND (744)	4,662 4,662	0.67	78
UDC/ S.C.REFUNDING 2007 A BOND SRV (884)	4,327 4,327	0.77	89
UDC/ S.C.REFUNDING 2008 A, B, C, D A - BOND SRV (910) B - BOND SRV (911) C - BOND SRV (913) D - BOND SRV (914)	24,287 1,146 10,393 2,786 9,962	0.66 0.77 0.77 0.77	37 89 89 89
UDC/ S.C.REFUNDING 2010 A BOND SRV (990)	6,618 6,618	0.77	89
UDC/ STPIT GEN 09C COMM CAP (951) SIP (962)	1,578 1,433 145	0.88 0.67	179 69
UDC/ STPIT GEN 09D CAP PROJ IBM TX (974) DWNSTREGPR IBM TX (975)	10,627 2,187 8,440	0.87 0.89	174 181
UDC/ STPIT GEN 09E BAB AMD (982) BAB CORR FAC (983)	286 209 77	0.67 0.67	69 69
UDC/ STPIT GEN 10A EQUIP (010)	16,400 16,400	0.88	181
UDC/ STPIT GEN 10B TX NYRA (020)	32 32	0.62	62
UDC/ STPIT GEN 10C BAB CORR FAC (023) BAB YTH FAC (024)	150 93 57	0.67 0.67	69 69
UDC/ STPIT GEN 11A UPST CTY-BY-CTY (043) EQUIPMT (046) HOUSING (053)	13,884 11 11,833 2,040	0.62 0.87 0.88	62 174 181
UDC/ STPIT GEN 11B CAPITAL PROJ (056)	3,475 3,475	0.87	174
UDC/ STPIT GEN 13A STATE POLICE (072) COI (076) ARTS & CULT. (078) DOWNSATTE REVIT. (079)	42,404 5,329 34 503 6	0.89 0.67 0.67 0.33	174 69 69 196

**EMPIRE STATE DEVELOPMENT  
INVESTMENT SUMMARY  
AS OF MARCH 31, 2017**

<u>FUNDS/PROGRAMS (a)</u>	<u>PAR AMOUNT (\$000'S)</u>	<u>AVERAGE WEIGHTED YIELD (%)</u>	<u>AVERAGE WEIGHTED MATURITY (DAYS)</u>
UPSTATE AGR. EC. DEV (082)	2,522	0.88	181
UPSTATE CITY-BY-CITY (083)	34	0.85	181
BUFFALO REG'L INNOV. CLUSTER (085)	4	0.67	69
ECON. TRANSFORMATION (086)	370	0.67	69
CAPITAL PROJ. FND. - CULT. (090)	4,597	0.88	181
CAPITAL PROJ. FND. - EC.DEV/OTHER (091)	843	0.67	69
CAPITAL PROJ. FND. - UNIV. (092)	2	0.67	69
RESTORE NY (093)	18,519	0.89	174
SUBSUNY (HH RICHARDSON) (095)	33	0.67	69
NYSTDP (096)	4,224	0.88	181
NYSEDP - UPSTATE STADIUM (097)	233	0.67	69
NYSEDP - UPSTATE JAVITS (098)	108	0.67	69
CCAP (099)	3,214	0.88	181
REDP (100)	1,829	0.87	174
<b>UDC/ STPIT GEN 13B</b>	<b>77,103</b>		
DOWNSTATE REVITAL. (104)	6	0.85	181
UPSTATE CITY-BY-CITY (105)	95	0.85	181
UPSTATE REG'L BLUEPRINT (106)	13,271	0.88	182
SUNY CNSE (CAPITAL PROJ. FND.) (107)	45,459	0.89	181
RCCF (108)	6,622	0.87	174
CAPITAL PROJ. FND. - EC.DEV/OTHER (109)	11,296	0.87	175
NYSTDP (110)	354	0.62	62
<b>UDC/ STPIT GEN 13C</b>	<b>159</b>		
COI (115)	59	0.67	69
SHIPS (118)	100	0.67	69
<b>UDC/ STPIT GEN 13E</b>	<b>22,725</b>		
COI (124)	28	0.67	69
CAP PROJ CULT (125)	3,885	0.88	181
CAP PROJ EC DEV (126)	814	0.85	181
ECO & COMM DEV (128)	3,480	0.88	181
NYS EC DEV ASST (131)	4	0.85	181
REGIONAL CAP (132)	5	0.67	69
STRATEGIC INV PRG (133)	920	0.67	69
UPST STADIUM (134)	447	0.67	69
UPST REG'L BLUE (135)	14	0.85	181
ST POLICE (138)	13,128	0.88	181
<b>UDC/ STPIT GEN 13F TAX</b>	<b>39,810</b>		
BUFF REG CENTER (144)	40	0.85	181
CAP PROJ UNIV (145)	2,021	0.87	174
CENTER OF EXCELL (147)	733	0.67	69
ECO TRANSFORM PRG (148)	9,127	0.87	174
UPSTATE JAVITS (149)	179	0.67	69
SUNY 2020 PRG (152)	156	0.85	181
NYS EC DEV ASST (153)	15	0.85	181
REGIONAL CAP (154)	26,106	0.88	178
UPST STADIUM (155)	407	0.67	1
CAP PRJ NANOTECH (157)	879	0.85	181
BUFFALO BILLS PRG (158)	147	0.85	181
<b>UDC/ STPIT GEN 14A TAX</b>	<b>3,749</b>		
COST OF ISSUANCE (160)	112	0.62	62

**EMPIRE STATE DEVELOPMENT  
INVESTMENT SUMMARY  
AS OF MARCH 31, 2017**

<u>FUNDS/PROGRAMS (a)</u>	<u>PAR AMOUNT (\$000'S)</u>	<u>AVERAGE WEIGHTED YIELD (%)</u>	<u>AVERAGE WEIGHTED MATURITY (DAYS)</u>
BUFFALO REGIONAL INNOVATION CENTER (162)	33	0.85	181
CAP. PROJ. FUND - UNIVERSITY (163)	4	0.67	69
EOF (164)	3,600	0.87	174
<b>UDC/ STPIT GEN 14B TAX</b>	<b>143,589</b>		
HOUSING (175)	34	0.85	181
BUFFALO BILLS (176)	84	0.85	181
BUFFALO REGIONAL INNOVATION CENTER (177)	358	0.62	64
CAP. PROJ. FUND - NANOTECH (178)	122,656	0.88	181
ECONOMIC TRANSFORMATION PROGRAM (179)	0	0.00	0
NEW YORK GENOMIE CENTER (180)	230	0.85	181
STATE & MUNI FACILITIES PROGRAM (181)	20,227	0.88	181
<b>UDC/ STPIT GEN 15A TAX EXEMPT</b>	<b>39,830</b>		
StPITGen 15AB COI (185B)	52	0.67	69
HOMELAND SECURITY (INTEROP.COMMUN.) (190B)	39,128	0.88	181
YOUTH FACILITIES (193B)	41	0.85	181
LOCAL TRANSPORT (202B)	609	0.85	181
<b>UDC/ STPIT GEN 15B TAX</b>	<b>182,538</b>		
CAP PR NANOTECH (206B)	52,430	0.88	175
BUFFALO REGIONAL INNOVATION CENTER (208B)	129,962	0.88	181
NY GENOME CENTER (209B)	146	0.85	181
<b>UDC/ STPIT GEN 17A</b>	<b>6,013</b>		
MARKET NY (237)	502	0.89	168
CEFAP (250)	5,511	0.78	88
<b>UDC/ STPIT GEN 17B TAX</b>	<b>108,452</b>		
SAM DOT (253)	10,997	0.88	171
SAM ESD (254)	25,109	0.88	171
BUFFALO REGIONAL INNOVATION CENTER (255)	38	0.85	181
HIGH TECH MANUFACTURING (257)	38	0.85	181
NY WORKS EDF (261)	3	0.85	181
CAP PR NANOTECH (263)	4	0.85	181
REGIONAL COUNCIL CAP FD (264)	26,067	0.89	168
NANO UTICA (265)	20,086	0.89	168
POWER ELECTRICAL MANUFACTURING (266)	6	0.85	181
UPSTATE CITY (267)	7,732	0.88	171
HOUSING (268)	7,728	0.88	171
NY WORKS MARKET NY (270)	1,304	0.89	168
STATE FAIRGROUND (271)	9,340	0.89	168
<b>UDC/PORT DISTRICT ED CAPITAL PROGRAM</b>	<b>8,362</b>		
PDEDC (417P)	8,362	0.57	44

**TOTAL** 1,605,237

**PORTFOLIO AS OF 3/31/17** AVG. WTD YIELD = 0.68 %  
AVG. WTD DAYS TO MATURITY = 96

(a) INCLUDING BANK ACCOUNT CODE

**EMPIRE STATE DEVELOPMENT  
SUMMARY OF INVESTMENT EARNINGS  
FOR FISCAL YEAR ENDED 3/31/17**

<b>FUND TYPE</b>	<b>TOTAL EARNINGS (\$'s)</b>
<b><u>CORPORATE</u></b>	
-CORPORATE FUNDS	2,199,143
<b>TOTAL CORPORATE</b>	<b><u>2,199,143</u></b>
 <b><u>REVENUE BONDS</u></b>	
-SYRACUSE UNIVERSITY LOAN '95 REF. DERF	6,207
-CORNELL UNIVERSITY LOAN	4,642
-COLUMBIA UNIVERSITY LOAN	33,381
-CLARKSON UNIVERSITY LOAN '95 REFUNDING	5,602
-UNIVERSITY FAC. GRANTS '95 REF. DSRF	6,768
-FARLEY CERT. OF PARTICIPATION	2,978
-STATE FACILITIES '95 REFUNDING	53,884
-SERVICE CONTRACT REFUNDING ISSUES	1,082,460
-PERSONAL INCOME TAX 2002 - 2007	42,574
-PERSONAL INCOME TAX '08 A1, A2	18,540
-PERSONAL INCOME TAX '09 A, B, C, D, E	79,036
-PERSONAL INCOME TAX '10 A, B, C	67,617
-PERSONAL INCOME TAX '11 A, B	96,250
-PERSONAL INCOME TAX '13 A, B, C, E, F	1,830,469
-PERSONAL INCOME TAX '14A	133,172
-PERSONAL INCOME TAX '14B	1,105,122
-PERSONAL INCOME TAX '15A	614,877
-PERSONAL INCOME TAX '15B	953,222
-PERSONAL INCOME TAX '17A	1,179
-PERSONAL INCOME TAX '17B	115,274
<b>TOTAL REVENUE BOND</b>	<b><u>6,253,253</u></b>
 <b><u>ECONOMIC DEVELOPMENT (a)</u></b>	
-E.D. PROJECTS & PROGRAM FUNDS	1,451,208
a) Econ. Dev. accounts that are not funded from bond proceeds	
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<b><u>1,451,208</u></b>

<b>GRAND TOTAL</b>	<b>9,903,603</b>
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<b>AVERAGE YIELD FISCAL YEAR 2016 / 2017</b>	<b>0.48%</b>
<b>YIELD AS OF MARCH 31, 2017</b>	<b>0.68%</b>

NEW YORK STATE URBAN DEVELOPMENT CORPORATION  
D/B/A EMPIRE STATE DEVELOPMENT

Statement of Fees, Commissions and Related Service Charges for  
The Period April 1, 2016 through March 31, 2017

ESD DOES NOT PAY FEES, COMMISSIONS, OR ANY OTHER CHARGES TO ANY OF THE BROKERS/DEALERS IN CONNECTION WITH ITS INVESTMENT TRANSACTIONS. ESD DOES NOT UTILIZE INVESTMENT ADVISORS FOR INVESTMENT ASSOCIATED SERVICES.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a ESD  
 INVESTMENT POSITION REPORT WITH MARKET VALUE AS OF MARCH 31, 2017 SUMMARY

		<u>PAR</u>	<u>COST</u>	<u>% COST VALUE</u>	<u>MARKET VALUE (B)</u>
CERTIFICATE OF DEPOSIT		\$9,467,319.00	\$9,467,319.00	0.59%	\$9,467,319.00
U.S. AGENCY DISCOUNT NOTES/BONDS	(A)	\$934,981,000.00	\$932,341,460.55	58.27%	\$932,735,958.39
U.S. TREASURY BILLS	(A)	\$660,789,000.00	\$658,362,128.21	41.14%	\$658,689,673.72
	TOTAL	<u>\$1,605,237,319.00</u>	<u>\$1,600,170,907.76</u>	<u>100.00%</u>	<u>\$1,600,892,951.11</u>

(A) TRADED ON A DISCOUNT BASIS

(B) THE MARKET VALUE OF THE SECURITY IS CALCULATED USING PRICES  
 FROM BLOOMBERG INFORMATION SERVICE (OR BROKER) AS OF MARCH 31, 2017



New York State Urban Development Corp. d/b/a ESD

Investment Position Report

As of 3/31/17

BAC	DEAL ID	Instrument Type	Portfolio	Rate	Settle	Maturity	Est YTM	Market Price	Market Value (\$'s)	Par Amount (\$'s)	Cost (Including
								a/o 3/31/17			Purchased Int.) (\$'s)
<b>CD's are part of ELDP loan subsidy program and do not reflect market rates</b>											
010C	1000027633	Certificate of Deposit	ELDP	0.000000	4/8/2016	4/7/2017	0.00		105,967.00	105,967.00	105,967.00
010C	1000027668	Certificate of Deposit	ELDP	0.000000	4/22/2016	4/21/2017	0.00		121,000.00	121,000.00	121,000.00
010C	1000027708	Certificate of Deposit	ELDP	0.000000	5/13/2016	5/12/2017	0.00		250,000.00	250,000.00	250,000.00
010C	1000027722	Certificate of Deposit	ELDP	0.000000	5/19/2016	5/19/2017	0.00		159,000.00	159,000.00	159,000.00
010C	1000027749	Certificate of Deposit	ELDP	0.000000	5/27/2016	5/26/2017	0.00		33,930.00	33,930.00	33,930.00
010C	1000027761	Certificate of Deposit	ELDP	0.000000	6/3/2016	6/2/2017	0.00		272,400.00	272,400.00	272,400.00
010C	1000027770	Certificate of Deposit	ELDP	0.000000	6/9/2016	6/9/2017	0.00		143,068.00	143,068.00	143,068.00
010C	1000027780	Certificate of Deposit	ELDP	0.000000	6/10/2016	6/9/2017	0.00		52,052.00	52,052.00	52,052.00
010C	1000027781	Certificate of Deposit	ELDP	0.000000	6/10/2016	6/9/2017	0.00		246,114.00	246,114.00	246,114.00
010C	1000027808	Certificate of Deposit	ELDP	0.000000	6/17/2016	6/16/2017	0.00		248,744.00	248,744.00	248,744.00
010C	1000027925	Certificate of Deposit	ELDP	0.000000	7/26/2016	7/26/2017	0.00		342,113.00	342,113.00	342,113.00
010C	1000027950	Certificate of Deposit	ELDP	0.000000	7/29/2016	7/28/2017	0.00		543,293.00	543,293.00	543,293.00
010C	1000027965	Certificate of Deposit	ELDP	0.000000	8/5/2016	8/4/2017	0.00		549,155.00	549,155.00	549,155.00
010C	1000027995	Certificate of Deposit	ELDP	0.000000	8/18/2016	8/18/2017	0.00		51,000.00	51,000.00	51,000.00
010C	1000028010	Certificate of Deposit	ELDP	0.000000	8/23/2016	8/23/2017	0.00		150,000.00	150,000.00	150,000.00
010C	1000028070	Certificate of Deposit	ELDP	0.000000	9/9/2016	9/8/2017	0.00		188,000.00	188,000.00	188,000.00
010C	1000028071	Certificate of Deposit	ELDP	0.000000	9/9/2016	9/8/2017	0.00		431,000.00	431,000.00	431,000.00
010C	1000028109	Certificate of Deposit	ELDP	0.000000	9/16/2016	9/15/2017	0.00		70,806.00	70,806.00	70,806.00
010C	1000028110	Certificate of Deposit	ELDP	0.000000	9/16/2016	9/15/2017	0.00		25,225.00	25,225.00	25,225.00
010C	1000028137	Certificate of Deposit	ELDP	0.000000	9/23/2016	9/22/2017	0.00		404,856.00	404,856.00	404,856.00
010C	1000028338	Certificate of Deposit	ELDP	0.000000	10/24/2016	10/24/2017	0.00		400,000.00	400,000.00	400,000.00
010C	1000028416	Certificate of Deposit	ELDP	0.000000	11/18/2016	11/17/2017	0.00		487,889.00	487,889.00	487,889.00
010C	1000028422	Certificate of Deposit	ELDP	0.000000	11/23/2016	11/22/2017	0.00		212,000.00	212,000.00	212,000.00
010C	1000028448	Certificate of Deposit	ELDP	0.000000	12/2/2016	12/1/2017	0.00		351,000.00	351,000.00	351,000.00
010C	1000028449	Certificate of Deposit	ELDP	0.000000	12/2/2016	12/1/2017	0.00		255,000.00	255,000.00	255,000.00
010C	1000028546	Certificate of Deposit	ELDP	0.000000	12/22/2016	12/22/2017	0.00		30,000.00	30,000.00	30,000.00
010C	1000028559	Certificate of Deposit	ELDP	0.000000	12/23/2016	12/22/2017	0.00		169,246.00	169,246.00	169,246.00
010C	1000028560	Certificate of Deposit	ELDP	0.000000	12/27/2016	12/27/2017	0.00		175,000.00	175,000.00	175,000.00
010C	1000028618	Certificate of Deposit	ELDP	0.000000	12/30/2016	12/29/2017	0.00		292,000.00	292,000.00	292,000.00
010C	1000028637	Certificate of Deposit	ELDP	0.000000	1/5/2017	1/5/2018	0.00		147,657.00	147,657.00	147,657.00
010C	1000028665	Certificate of Deposit	ELDP	0.000000	1/18/2017	1/18/2018	0.00		170,000.00	170,000.00	170,000.00
010C	1000028681	Certificate of Deposit	ELDP	0.000000	1/24/2017	1/24/2018	0.00		209,539.00	209,539.00	209,539.00
010C	1000028686	Certificate of Deposit	ELDP	0.000000	1/26/2017	1/26/2018	0.00		400,000.00	400,000.00	400,000.00
010C	1000028720	Certificate of Deposit	ELDP	0.000000	2/9/2017	2/9/2018	0.00		18,029.00	18,029.00	18,029.00
010C	1000028721	Certificate of Deposit	ELDP	0.000000	2/9/2017	2/9/2018	0.00		300,847.00	300,847.00	300,847.00
010C	1000028749	Certificate of Deposit	ELDP	0.000000	2/17/2017	2/16/2018	0.00		250,142.00	250,142.00	250,142.00
010C	1000028750	Certificate of Deposit	ELDP	0.000000	2/17/2017	2/16/2018	0.00		153,428.00	153,428.00	153,428.00
010C	1000028773	Certificate of Deposit	ELDP	0.000000	2/24/2017	2/23/2018	0.00		200,000.00	200,000.00	200,000.00
010C	1000028851	Certificate of Deposit	ELDP	0.000000	3/10/2017	3/9/2018	0.00		310,000.00	310,000.00	310,000.00
010C	1000028910	Certificate of Deposit	ELDP	0.000000	3/24/2017	3/23/2018	0.00		22,819.00	22,819.00	22,819.00
010C	1000029046	Certificate of Deposit	ELDP	0.000000	3/31/2017	3/30/2018	0.00		525,000.00	525,000.00	525,000.00

New York State Urban Development Corp. d/b/a ESD  
Investment Position Report  
As of 3/31/17

BAC	DEAL ID	Instrument Type	Portfolio	Rate	Settle	Maturity	Est YTM	Market Price a/o 3/31/17	Market Value (\$'s)	Par Amount (\$'s)	Cost (Including Purchased Int.) (\$'s)
									9,467,319.00	9,467,319.00	9,467,319.00
112P	1000028697	Fannie Mae Discount	SSBCINONY		1/27/2017	4/12/2017	0.50	99.9750	3,510,122.25	3,511,000.00	3,507,342.71
146P	1000028735	Fannie Mae Discount	MERF		2/16/2017	4/26/2017	0.52	99.9437	5,026,168.67	5,029,000.00	5,023,987.76
199P	1000028737	Fannie Mae Discount	SPECLEGINI		2/16/2017	4/26/2017	0.52	99.9437	5,990,625.38	5,994,000.00	5,988,025.98
026C	1000028271	Fannie Mae Discount	OPEBLIAB		10/6/2016	5/1/2017	0.46	99.9328	4,529,953.82	4,533,000.00	4,521,140.77
010C	1000028346	Fannie Mae Discount	UDCGENWC		10/28/2016	7/17/2017	0.54	99.7600	15,086,704.80	15,123,000.00	15,063,566.51
									<b>34,143,574.93</b>	<b>34,190,000.00</b>	<b>34,104,063.73</b>
010C	1000028857	Farmer Mac Discount	ESWHSGEDL		3/13/2017	4/10/2017	0.68	99.9791	3,361,297.34	3,362,000.00	3,360,221.88
033P	1000028858	Farmer Mac Discount	RCYCLELOAN		3/13/2017	4/10/2017	0.68	99.9791	2,005,580.75	2,006,000.00	2,004,939.05
113P	1000028809	Farmer Mac Discount	SSBCINYGAP		3/8/2017	4/10/2017	0.57	99.9791	3,008,371.12	3,009,000.00	3,007,427.80
114P	1000028810	Farmer Mac Discount	SSBCICAPAC		3/8/2017	4/10/2017	0.57	99.9791	1,802,623.17	1,803,000.00	1,802,057.93
123C	1000028811	Farmer Mac Discount	TRAILREM		3/8/2017	4/10/2017	0.57	99.9791	3,009,370.91	3,010,000.00	3,008,427.28
026C	1000028059	Farmer Mac Discount	OPEBLIAB		9/7/2016	4/17/2017	0.51	99.9646	4,020,576.21	4,022,000.00	4,009,350.81
007C	1000028407	Farmer Mac Discount	HOUSGREPFD		11/16/2016	4/18/2017	0.61	99.9625	10,079,218.88	10,083,000.00	10,056,859.82
504S	1000028692	Farmer Mac Discount	PADISNTRNA		1/26/2017	4/27/2017	0.54	99.9415	3,012,236.81	3,014,000.00	3,009,885.89
010C	1000028351	Farmer Mac Discount	UDCGENWC		11/1/2016	8/1/2017	0.63	99.7096	15,104,010.21	15,148,000.00	15,075,630.43
									<b>45,403,285.40</b>	<b>45,457,000.00</b>	<b>45,334,800.89</b>
010C	1000028999	Federal Home Loan Discount	EDPOOLNV		3/29/2017	4/5/2017	0.60	99.9896	47,213,089.33	47,218,000.00	47,212,491.08
010C	1000029000	Federal Home Loan Discount	EDPOOLNV		3/29/2017	4/5/2017	0.60	99.9896	33,915,472.42	33,919,000.00	33,915,042.67
116P	1000028788	Federal Home Loan Discount	NYOPBUSI		3/2/2017	4/6/2017	0.52	99.9875	12,004,499.25	12,006,000.00	11,999,930.30
008C	1000028659	Federal Home Loan Discount	RECOVEXHSG		1/13/2017	4/10/2017	0.53	99.9791	7,187,497.50	7,189,000.00	7,179,878.96
205S	1000028661	Federal Home Loan Discount	HCSPECPROG		1/13/2017	4/10/2017	0.53	99.9791	249,947.75	250,000.00	249,682.81
230S	1000028853	Federal Home Loan Discount	HCHSGDEV		3/10/2017	4/19/2017	0.65	99.9604	399,841.60	400,000.00	399,711.11
249S	1000028854	Federal Home Loan Discount	HCDCVTRP		3/10/2017	4/19/2017	0.65	99.9604	914,637.66	915,000.00	914,339.17
618P	1000028855	Federal Home Loan Discount	EDINCOME		3/10/2017	4/19/2017	0.65	99.9604	2,003,206.42	2,004,000.00	2,002,552.67
055P	1000028932	Federal Home Loan Discount	JOBSNOW		3/27/2017	4/24/2017	0.74	99.9480	3,491,183.64	3,493,000.00	3,490,989.58
127C	1000029003	Federal Home Loan Discount	BXPSYCDIMP		3/30/2017	4/24/2017	0.63	99.9480	1,499,220.00	1,500,000.00	1,499,348.96
201P	1000028936	Federal Home Loan Discount	HIRSKMIRVL		3/27/2017	4/24/2017	0.74	99.9480	6,492,622.08	6,496,000.00	6,492,261.19
053S	1000028912	Federal Home Loan Discount	EMPZOCITY		3/24/2017	4/25/2017	0.74	99.9458	7,229,079.71	7,233,000.00	7,228,242.29
212P	1000028699	Federal Home Loan Discount	COMPRJMISC		1/31/2017	4/27/2017	0.53	99.9415	4,981,084.36	4,984,000.00	4,977,689.70
312P	1000028875	Federal Home Loan Discount	REDPARTNER		3/23/2017	4/27/2017	0.73	99.9415	1,974,844.04	1,976,000.00	1,974,597.59
322S	1000028700	Federal Home Loan Discount	ERIECANAL		1/31/2017	4/27/2017	0.53	99.9415	2,510,530.48	2,512,000.00	2,508,819.53
050P	1000028687	Federal Home Loan Discount	EMPSTEDFD		1/26/2017	4/28/2017	0.54	99.9393	1,681,978.42	1,683,000.00	1,680,677.46
218P	1000028706	Federal Home Loan Discount	MWBDDL		2/2/2017	4/28/2017	0.53	99.9393	499,696.50	500,000.00	499,374.30
310P	1000028684	Federal Home Loan Discount	EDGENERAL		1/25/2017	4/28/2017	0.54	99.9393	5,993,359.82	5,997,000.00	5,988,634.19
116P	1000028787	Federal Home Loan Discount	NYOPBUSI		3/2/2017	5/1/2017	0.61	99.9330	12,003,951.96	12,012,000.00	11,999,787.80
126P	1000029001	Federal Home Loan Discount	NYSINOVCAP		3/29/2017	5/1/2017	0.75	99.9330	13,999,613.97	14,009,000.00	13,999,368.81
205S	1000028812	Federal Home Loan Discount	HCSPECPROG		3/8/2017	5/1/2017	0.65	99.9330	499,665.00	500,000.00	499,512.50
280P	1000028725	Federal Home Loan Discount	ASSISTMUNI		2/14/2017	5/1/2017	0.53	99.9330	10,016,284.59	10,023,000.00	10,011,785.37

## New York State Urban Development Corp. d/b/a ESD

## Investment Position Report

As of 3/31/17

BAC	DEAL ID	Instrument Type	Portfolio	Rate	Settle	Maturity	Est YTM	Market Price	Market Value (\$'s)	Par Amount (\$'s)	Cost (Including
								a/o 3/31/17			Purchased Int.) (\$'s)
060B	1000029049	Federal Home Loan Discount	ERIECTYSTA		3/31/2017	5/8/2017	0.74	99.9177	4,721,111.33	4,725,000.00	4,721,309.25
008C	1000028751	Federal Home Loan Discount	RECOVEXHSG		2/17/2017	5/16/2017	0.55	99.8990	18,255,543.26	18,274,000.00	18,249,431.62
417P	1000028680	Federal Home Loan Discount	PADSTEDCAP		1/23/2017	5/19/2017	0.53	99.8925	2,768,021.18	2,771,000.00	2,766,267.75
050P	1000028930	Federal Home Loan Discount	EMPSTEDFD		3/27/2017	5/22/2017	0.74	99.8859	3,981,451.97	3,986,000.00	3,981,411.67
168C	1000028934	Federal Home Loan Discount	FARLEYCNST		3/27/2017	5/22/2017	0.74	99.8859	8,016,842.33	8,026,000.00	8,016,761.18
327S	1000028940	Federal Home Loan Discount	ECHDCIDINA		3/27/2017	5/22/2017	0.74	99.8859	5,019,266.48	5,025,000.00	5,019,215.67
029C	1000028890	Federal Home Loan Discount	TENRELSRSV		3/27/2017	5/23/2017	0.73	99.8837	6,536,389.33	6,544,000.00	6,536,436.23
085S	1000028763	Federal Home Loan Discount	USANIAGARA		2/22/2017	5/24/2017	0.54	99.8815	3,305,078.84	3,309,000.00	3,304,483.22
218P	1000029004	Federal Home Loan Discount	MWBBDLP		3/30/2017	5/24/2017	0.76	99.8815	2,943,507.81	2,947,000.00	2,943,600.72
460S	1000029006	Federal Home Loan Discount	QWDC		3/30/2017	5/24/2017	0.76	99.8815	5,158,879.48	5,165,000.00	5,159,042.32
112P	1000028933	Federal Home Loan Discount	SSBCIINONY		3/27/2017	5/31/2017	0.74	99.8661	2,002,315.31	2,005,000.00	2,002,321.10
310P	1000028791	Federal Home Loan Discount	EDGENERAL		3/2/2017	5/31/2017	0.62	99.8661	9,307,520.52	9,320,000.00	9,305,554.00
250B	1000028892	Federal Home Loan Discount	GN17ACEFAP		3/23/2017	6/27/2017	0.78	99.8069	5,500,358.26	5,511,000.00	5,499,610.60
310P	1000028939	Federal Home Loan Discount	EDGENERAL		3/27/2017	6/27/2017	0.75	99.8069	4,010,241.24	4,018,000.00	4,010,298.83
884B	1000029015	Federal Home Loan Discount	SVCT07ABSV		3/30/2017	6/28/2017	0.77	99.8047	4,208,764.20	4,217,000.00	4,208,934.99
911B	1000029018	Federal Home Loan Discount	SVCT08BBSV		3/30/2017	6/28/2017	0.77	99.8047	10,174,091.12	10,194,000.00	10,174,503.98
913B	1000029020	Federal Home Loan Discount	SVCT08CBSV		3/30/2017	6/28/2017	0.77	99.8047	2,713,689.79	2,719,000.00	2,713,799.91
914B	1000029022	Federal Home Loan Discount	SVCT08ABSV		3/30/2017	6/28/2017	0.77	99.8047	9,603,208.23	9,622,000.00	9,603,597.93
990B	1000029025	Federal Home Loan Discount	SVCT10ABSV		3/30/2017	6/28/2017	0.77	99.8047	6,297,676.57	6,310,000.00	6,297,932.13
417P	1000028814	Federal Home Loan Discount	PADSTEDCAP		3/9/2017	6/30/2017	0.80	99.8003	1,128,741.39	1,131,000.00	1,128,159.93
744B	1000029014	Federal Home Loan Discount	CYSV2BBSV		3/30/2017	6/30/2017	0.77	99.8003	3,263,469.81	3,270,000.00	3,263,607.15
026C	1000028752	Federal Home Loan Discount	OPEBLIAB		2/17/2017	8/16/2017	0.65	99.6742	6,553,578.65	6,575,000.00	6,553,631.25
799B	1000028753	Federal Home Loan Discount	CPSB4AREV		2/17/2017	8/16/2017	0.64	99.6742	3,003,183.65	3,013,000.00	3,003,358.40
010C	1000028865	Federal Home Loan Discount	UDCGENWC		3/16/2017	9/6/2017	0.88	99.6113	4,980,565.00	5,000,000.00	4,978,733.33
206B	1000028925	Federal Home Loan Discount	GN15BNANO		3/24/2017	9/22/2017	0.89	99.5722	29,054,172.24	29,179,000.00	29,047,710.71
898B	1000028908	Federal Home Loan Discount	EH8A1ECODV		3/23/2017	9/26/2017	0.89	99.5585	2,255,995.61	2,266,000.00	2,255,583.01
106B	1000029050	Federal Home Loan Discount	GN13BTXUPR		3/31/2017	9/29/2017	0.88	99.5551	13,207,975.12	13,267,000.00	13,207,976.59
									<b>354,732,945.19</b>	<b>355,208,000.00</b>	<b>354,677,991.51</b>
799B	1000028037	Freddie Mac Discount	CPSB4AREV		9/1/2016	4/17/2017	0.47	99.9646	12,836,454.29	12,841,000.00	12,802,776.62
618B	1000028138	Freddie Mac Discount	STFCR95DSR		9/23/2016	4/24/2017	0.44	99.9480	10,371,603.96	10,377,000.00	10,349,985.21
025C	1000028361	Freddie Mac Discount	125MAIDLN		11/2/2016	5/3/2017	0.48	99.9285	13,014,687.84	13,024,000.00	12,992,724.31
799B	1000028263	Freddie Mac Discount	CPSB4AREV		10/3/2016	5/3/2017	0.45	99.9285	12,423,111.12	12,432,000.00	12,399,055.20
146P	1000028373	Freddie Mac Discount	MERF		11/7/2016	5/11/2017	0.51	99.9112	5,025,533.36	5,030,000.00	5,016,817.23
010C	1000028434	Freddie Mac Discount	UDCGENWC		12/1/2016	6/1/2017	0.56	99.8639	10,069,277.04	10,083,000.00	10,054,453.91
025C	1000028426	Freddie Mac Discount	125MAIDLN		11/28/2016	6/1/2017	0.56	99.8639	13,010,268.89	13,028,000.00	12,990,508.28
026C	1000028370	Freddie Mac Discount	OPEBLIAB		11/4/2016	6/1/2017	0.53	99.8639	4,331,097.34	4,337,000.00	4,323,781.19
799B	1000028349	Freddie Mac Discount	CPSB4AREV		10/31/2016	6/1/2017	0.49	99.8639	10,956,068.47	10,971,000.00	10,939,517.80
116P	1000028888	Freddie Mac Discount	NYOPBUSI		3/23/2017	6/9/2017	0.73	99.8464	15,048,849.41	15,072,000.00	15,048,161.12
799B	1000028437	Freddie Mac Discount	CPSB4AREV		12/1/2016	6/16/2017	0.57	99.8310	11,971,733.52	11,992,000.00	11,954,594.95
008C	1000028863	Freddie Mac Discount	RECOVEXHSG		3/16/2017	6/19/2017	0.75	99.8244	11,180,332.80	11,200,000.00	11,177,833.33
280P	1000028942	Freddie Mac Discount	ASSISTMUNI		3/27/2017	6/22/2017	0.76	99.8179	10,016,726.27	10,035,000.00	10,016,569.05

## New York State Urban Development Corp. d/b/a ESD

## Investment Position Report

As of 3/31/17

BAC	DEAL ID	Instrument Type	Portfolio	Rate	Settle	Maturity	Est YTM	Market Price	Market Value (\$'s)	Par Amount (\$'s)	Cost (Including
								a/o 3/31/17			Purchased Int.) (\$'s)
085S	1000028874	Freddie Mac Discount	USANIAGARA		3/23/2017	6/28/2017	0.76	99.8047	5,208,807.29	5,219,000.00	5,208,312.65
146P	1000028695	Freddie Mac Discount	MERF		1/27/2017	7/24/2017	0.58	99.7444	9,567,482.85	9,592,000.00	9,564,492.28
025C	1000028708	Freddie Mac Discount	125MAIDLN		2/3/2017	8/1/2017	0.62	99.7096	996,098.90	999,000.00	995,920.31
799B	1000028730	Freddie Mac Discount	CPSB4AREV		2/15/2017	8/1/2017	0.61	99.7096	11,541,386.20	11,575,000.00	11,542,245.97
146P	1000028789	Freddie Mac Discount	MERF		3/2/2017	8/24/2017	0.73	99.6553	5,010,668.48	5,028,000.00	5,010,157.58
007C	1000029002	Freddie Mac Discount	HOUSGREPFD		3/30/2017	8/31/2017	0.83	99.6388	1,963,880.75	1,971,000.00	1,964,001.86
799B	1000028782	Freddie Mac Discount	CPSB4AREV		3/1/2017	9/1/2017	0.66	99.6236	11,764,550.92	11,809,000.00	11,769,164.31
025C	1000028870	Freddie Mac Discount	125MAIDLN		3/20/2017	9/5/2017	0.87	99.6138	4,993,639.79	5,013,000.00	4,992,526.07
026C	1000028786	Freddie Mac Discount	OPEBLIAB		3/2/2017	9/14/2017	0.74	99.5918	4,025,500.56	4,042,000.00	4,025,825.26
237B	1000028891	Freddie Mac Discount	GN17AMKTNV		3/23/2017	9/15/2017	0.89	99.5893	499,938.29	502,000.00	499,828.01
264B	1000028899	Freddie Mac Discount	GN17BREGCF		3/23/2017	9/15/2017	0.89	99.5893	25,959,942.83	26,067,000.00	25,954,216.78
265B	1000028900	Freddie Mac Discount	GN17BNANOU		3/23/2017	9/15/2017	0.89	99.5893	20,003,506.80	20,086,000.00	19,999,094.57
270B	1000028904	Freddie Mac Discount	GN17BNYWMK		3/23/2017	9/15/2017	0.89	99.5893	1,298,644.47	1,304,000.00	1,298,358.03
271B	1000028905	Freddie Mac Discount	GN17BSTFRG		3/23/2017	9/15/2017	0.89	99.5893	9,301,640.62	9,340,000.00	9,299,588.93
253B	1000028893	Freddie Mac Discount	GN17BSADOT		3/23/2017	9/18/2017	0.88	99.5820	10,951,032.54	10,997,000.00	10,948,882.02
254B	1000028894	Freddie Mac Discount	GN17BSAESD		3/23/2017	9/18/2017	0.88	99.5820	25,004,044.38	25,109,000.00	24,999,134.18
267B	1000028902	Freddie Mac Discount	GN17BUPCT		3/23/2017	9/18/2017	0.88	99.5820	7,699,680.24	7,732,000.00	7,698,168.20
268B	1000028903	Freddie Mac Discount	GN17BHSG		3/23/2017	9/18/2017	0.88	99.5820	7,695,696.96	7,728,000.00	7,694,185.71
799B	1000028813	Freddie Mac Discount	CPSB4AREV		3/8/2017	9/18/2017	0.84	99.5820	13,301,167.74	13,357,000.00	13,296,537.31
010B	1060028876	Freddie Mac Discount	GN10AEQUIP		3/23/2017	9/28/2017	0.88	99.5576	16,278,663.18	16,351,000.00	16,275,458.38
053B	1000028887	Freddie Mac Discount	GN11AHSG		3/23/2017	9/28/2017	0.88	99.5576	2,030,975.04	2,040,000.00	2,030,575.20
082B	1000028878	Freddie Mac Discount	GN13AAGED		3/23/2017	9/28/2017	0.88	99.5576	2,510,842.67	2,522,000.00	2,510,348.36
090B	1000028879	Freddie Mac Discount	GN13ACAPCU		3/23/2017	9/28/2017	0.88	99.5576	4,576,662.87	4,597,000.00	4,575,761.86
096B	1000028881	Freddie Mac Discount	GN13ANYSTD		3/23/2017	9/28/2017	0.88	99.5576	4,205,313.02	4,224,000.00	4,204,485.12
099B	1000028882	Freddie Mac Discount	GN13ACCAP		3/23/2017	9/28/2017	0.88	99.5576	3,199,781.26	3,214,000.00	3,199,151.32
125B	1000028889	Freddie Mac Discount	GN13ECAPCU		3/23/2017	9/28/2017	0.88	99.5576	3,867,812.76	3,885,000.00	3,867,051.30
128B	1000028929	Freddie Mac Discount	GN13ECDV		3/23/2017	9/28/2017	0.88	99.5576	3,464,604.48	3,480,000.00	3,463,922.40
138B	1000028883	Freddie Mac Discount	GN13ESTPO		3/23/2017	9/28/2017	0.88	99.5576	13,069,921.73	13,128,000.00	13,067,348.64
178B	1000028922	Freddie Mac Discount	GN14BNANO		3/24/2017	9/28/2017	0.88	99.5576	50,886,876.09	51,113,000.00	50,878,107.37
181B	1000028923	Freddie Mac Discount	GN14BSTIMU		3/24/2017	9/28/2017	0.88	99.5576	20,137,515.75	20,227,000.00	20,134,045.70
206B	1000028884	Freddie Mac Discount	GN15BNANO		3/23/2017	9/28/2017	0.88	99.5576	3,007,635.10	3,021,000.00	3,007,042.98
951B	1000028906	Freddie Mac Discount	GEN9CCCAP		3/23/2017	9/28/2017	0.88	99.5576	1,405,753.31	1,412,000.00	1,405,476.56
178B	1000029051	Freddie Mac Discount	GN14BNANO		3/31/2017	10/2/2017	0.87	99.5375	41,280,192.00	41,472,000.00	41,286,585.60
799B	1000029052	Freddie Mac Discount	CPSB4AREV		3/31/2017	10/16/2017	0.88	99.5025	11,490,548.70	11,548,000.00	11,491,825.40
									<b>498,456,152.88</b>	<b>500,126,000.00</b>	<b>498,224,604.42</b>
417P	1000028538	US Treasury Bill	PADSTEDCAP		12/19/2016	4/13/2017	0.55	99.9747	3,330,157.26	3,331,000.00	3,325,147.62
821B	1000028869	US Treasury Bill	FE4A3BSV		3/16/2017	4/13/2017	0.63	99.9747	1,784,548.40	1,785,000.00	1,784,132.29
910B	1000029044	US Treasury Bill	SVCT0&ABSV		3/30/2017	4/13/2017	0.63	99.9747	499,873.50	500,000.00	499,877.50
010C	1000028247	US Treasury Bill	UDCGENWC		9/30/2016	4/27/2017	0.43	99.9468	20,112,294.56	20,123,000.00	20,072,765.17
025C	1000028282	US Treasury Bill	125MAIDLN		10/11/2016	4/27/2017	0.44	99.9468	8,006,738.15	8,011,000.00	7,991,613.38
029C	1000028712	US Treasury Bill	TENRELSRSV		2/6/2017	4/27/2017	0.48	99.9468	5,016,329.89	5,019,000.00	5,013,646.40

## New York State Urban Development Corp. d/b/a ESD

## Investment Position Report

As of 3/31/17

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								a/o 3/31/17			Purched Int.) (\$'s)
054P	1000028931	US Treasury Bill	INTRSTSUBS		3/27/2017	4/27/2017	0.71	99.9468	1,974,948.77	1,976,000.00	1,974,791.90
202P	1000028937	US Treasury Bill	HIRSKMISC		3/27/2017	4/27/2017	0.71	99.9468	3,051,375.80	3,053,000.00	3,051,133.43
226P	1000028938	US Treasury Bill	URBCOMDEV		3/27/2017	4/27/2017	0.71	99.9468	1,494,204.66	1,495,000.00	1,494,085.97
460S	1000028717	US Treasury Bill	QWDC		2/7/2017	4/27/2017	0.50	99.9468	4,021,859.23	4,024,000.00	4,019,584.78
474C	1000028941	US Treasury Bill	NEWNEWYORK		3/27/2017	4/27/2017	0.71	99.9468	2,481,679.04	2,483,000.00	2,481,481.92
529S	1000028672	US Treasury Bill	1BRYNTPKGR		1/19/2017	4/27/2017	0.51	99.9468	2,645,591.80	2,647,000.00	2,643,361.11
799B	1000028418	US Treasury Bill	CPSB4AREV		11/21/2016	4/27/2017	0.56	99.9468	8,088,694.52	8,093,000.00	8,073,235.10
010C	1000028419	US Treasury Bill	UDCGENWC		11/23/2016	5/4/2017	0.57	99.9329	15,102,859.18	15,113,000.00	15,074,235.16
744B	1000028770	US Treasury Bill	CYSV2BBSV		2/23/2017	5/18/2017	0.44	99.9053	1,318,749.96	1,320,000.00	1,318,660.20
744B	1000028806	US Treasury Bill	CYSV2BBSV		3/3/2017	5/18/2017	0.58	99.9053	71,931.82	72,000.00	71,912.30
007C	1000028508	US Treasury Bill	HOUSGREPFD		12/15/2016	5/25/2017	0.61	99.8931	10,095,196.69	10,106,000.00	10,078,430.23
010C	1000028281	US Treasury Bill	UDCGENWC		10/11/2016	5/25/2017	0.45	99.8931	20,131,456.44	20,153,000.00	20,096,700.38
225P	1000028766	US Treasury Bill	REGRLTFLA		2/23/2017	5/25/2017	0.51	99.8931	2,468,358.50	2,471,000.00	2,467,814.47
262P	1000028767	US Treasury Bill	REDLOCASS		2/23/2017	5/25/2017	0.51	99.8931	1,468,428.57	1,470,000.00	1,468,104.93
322S	1000028743	US Treasury Bill	ERIECANAL		2/16/2017	5/25/2017	0.52	99.8931	1,805,068.32	1,807,000.00	1,804,442.09
504S	1000028746	US Treasury Bill	PADISNTRNA		2/16/2017	5/25/2017	0.52	99.8931	2,614,202.43	2,617,000.00	2,613,295.49
529S	1000028768	US Treasury Bill	1BRYNTPKGR		2/23/2017	5/25/2017	0.51	99.8931	2,036,820.31	2,039,000.00	2,036,371.39
910B	1000029043	US Treasury Bill	SVCT08ABSV		3/30/2017	5/25/2017	0.68	99.8931	645,309.43	646,000.00	645,316.68
020B	1000028795	US Treasury Bill	GN10BTXNYR		3/2/2017	6/1/2017	0.62	99.8812	31,961.98	32,000.00	31,949.85
043B	1000028796	US Treasury Bill	GN11AUPCTY		3/2/2017	6/1/2017	0.62	99.8812	10,986.93	11,000.00	10,982.76
106B	1000028797	US Treasury Bill	GN13BTXUPR		3/2/2017	6/1/2017	0.62	99.8812	3,995.25	4,000.00	3,993.73
110B	1000028798	US Treasury Bill	GN13BTXNSP		3/2/2017	6/1/2017	0.62	99.8812	353,579.45	354,000.00	353,445.20
160B	1000028799	US Treasury Bill	GN14ABCOI		3/2/2017	6/1/2017	0.62	99.8812	111,866.94	112,000.00	111,824.47
177B	1000028800	US Treasury Bill	GN14BBURIC		3/2/2017	6/1/2017	0.62	99.8812	352,580.64	353,000.00	352,446.77
868B	1000028801	US Treasury Bill	FE05BEQUIP		3/2/2017	6/1/2017	0.62	99.8812	164,803.98	165,000.00	164,741.41
917B	1000028802	US Treasury Bill	EH9A2BSV		3/2/2017	6/1/2017	0.62	99.8812	21,973.86	22,000.00	21,965.52
951B	1000028803	US Treasury Bill	GEN9CCCAP		3/2/2017	6/1/2017	0.62	99.8812	20,975.05	21,000.00	20,967.09
023B	1000028815	US Treasury Bill	GN10CBACOR		3/9/2017	6/8/2017	0.67	99.8678	92,877.05	93,000.00	92,843.55
024B	1000028816	US Treasury Bill	GN10CBAYTH		3/9/2017	6/8/2017	0.67	99.8678	56,924.65	57,000.00	56,904.11
076B	1000028817	US Treasury Bill	GN13ABCOI		3/9/2017	6/8/2017	0.67	99.8678	33,955.05	34,000.00	33,942.80
078B	1000028818	US Treasury Bill	GN13AARCUL		3/9/2017	6/8/2017	0.67	99.8678	502,335.03	503,000.00	502,153.84
079B	1000028819	US Treasury Bill	GN13ADWNRV		3/9/2017	6/8/2017	0.67	99.8678	5,992.07	6,000.00	5,989.91
085B	1000028820	US Treasury Bill	GN13ABURIC		3/9/2017	6/8/2017	0.67	99.8678	3,994.71	4,000.00	3,993.27
086B	1000028821	US Treasury Bill	GN13AECTRA		3/9/2017	6/8/2017	0.67	99.8678	369,510.86	370,000.00	369,377.57
091B	1000028822	US Treasury Bill	GN13ACAPED		3/9/2017	6/8/2017	0.67	99.8678	841,885.55	843,000.00	841,581.87
092B	1000028823	US Treasury Bill	GN13ACAPUN		3/9/2017	6/8/2017	0.67	99.8678	1,997.36	2,000.00	1,996.64
095B	1000028824	US Treasury Bill	GN13ASUNYH		3/9/2017	6/8/2017	0.67	99.8678	32,956.37	33,000.00	32,944.49
097B	1000028825	US Treasury Bill	GN13ANYUST		3/9/2017	6/8/2017	0.67	99.8678	232,691.97	233,000.00	232,608.04
098B	1000028826	US Treasury Bill	GN13ANYJVT		3/9/2017	6/8/2017	0.67	99.8678	107,857.22	108,000.00	107,818.32
115B	1000028827	US Treasury Bill	GN13CCOI		3/9/2017	6/8/2017	0.67	99.8678	58,922.00	59,000.00	58,900.75
118B	1000028828	US Treasury Bill	GN13CSHIPS		3/9/2017	6/8/2017	0.67	99.8678	99,867.80	100,000.00	99,831.78
124B	1000028829	US Treasury Bill	GN13EFCOI		3/9/2017	6/8/2017	0.67	99.8678	27,962.98	28,000.00	27,952.90

## New York State Urban Development Corp. d/b/a ESD

## Investment Position Report

As of 3/31/17

BAC	DEAL ID	Instrument Type	Portfolio	Rate	Settle	Maturity	Est YTM	Market Price	Market Value (\$'s)	Par Amount (\$'s)	Cost (Including
								a/o 3/31/17			Purchased Int.) (\$'s)
132B	1000028830	US Treasury Bill	GN13EREGCA		3/9/2017	6/8/2017	0.67	99.8678	4,993.39	5,000.00	4,991.59
133B	1000028831	US Treasury Bill	GN13ESIP		3/9/2017	6/8/2017	0.67	99.8678	918,783.76	920,000.00	918,452.34
134B	1000028832	US Treasury Bill	GN13EUPSTD		3/9/2017	6/8/2017	0.67	99.8678	446,409.07	447,000.00	446,248.04
146P	1000028510	US Treasury Bill	MERF		12/15/2016	6/8/2017	0.60	99.8678	9,058,009.46	9,070,000.00	9,043,545.83
147B	1000028833	US Treasury Bill	GN13FCOE		3/9/2017	6/8/2017	0.67	99.8678	732,030.97	733,000.00	731,766.92
149B	1000028834	US Treasury Bill	GN13FUPJVT		3/9/2017	6/8/2017	0.67	99.8678	178,763.36	179,000.00	178,698.88
155B	1000028835	US Treasury Bill	GN13FUPSTD		3/9/2017	6/8/2017	0.67	99.8678	406,461.95	407,000.00	406,315.33
163B	1000028836	US Treasury Bill	GN14ACAPUN		3/9/2017	6/8/2017	0.67	99.8678	3,994.71	4,000.00	3,993.27
186B	1000028837	US Treasury Bill	GN15ABCOI		3/9/2017	6/8/2017	0.67	99.8678	51,931.26	52,000.00	51,912.52
747B	1000028838	US Treasury Bill	FE2C1COF		3/9/2017	6/8/2017	0.67	99.8678	372,506.89	373,000.00	372,372.53
755B	1000028839	US Treasury Bill	EH2DSIP		3/9/2017	6/8/2017	0.67	99.8678	138,816.24	139,000.00	138,766.17
771B	1000028840	US Treasury Bill	EH03C1CCAP		3/9/2017	6/8/2017	0.67	99.8678	5,992.07	6,000.00	5,989.91
772B	1000028841	US Treasury Bill	EH03CIEMP		3/9/2017	6/8/2017	0.67	99.8678	578,234.56	579,000.00	578,025.99
773B	1000028842	US Treasury Bill	EH03C1SFP		3/9/2017	6/8/2017	0.67	99.8678	360,522.76	361,000.00	360,392.71
777B	1000028843	US Treasury Bill	FE03BEQU		3/9/2017	6/8/2017	0.67	99.8678	143,809.63	144,000.00	143,757.76
808B	1000028844	US Treasury Bill	FE03BCRFA		3/9/2017	6/8/2017	0.67	99.8678	149,801.70	150,000.00	149,747.66
899B	1000028845	US Treasury Bill	EH8A1CULT		3/9/2017	6/8/2017	0.67	99.8678	844,881.59	846,000.00	844,576.83
907B	1000028846	US Treasury Bill	EH8A2TXTEC		3/9/2017	6/8/2017	0.67	99.8678	441,415.68	442,000.00	441,256.45
935B	1000028847	US Treasury Bill	FE9B1BSV		3/9/2017	6/8/2017	0.67	99.8678	248,670.82	249,000.00	248,581.12
962B	1000028848	US Treasury Bill	GEN9CSIP		3/9/2017	6/8/2017	0.67	99.8678	144,808.31	145,000.00	144,756.08
982B	1000028849	US Treasury Bill	GEN9EBAAMD		3/9/2017	6/8/2017	0.67	99.8678	208,723.70	209,000.00	208,648.41
983B	1000028850	US Treasury Bill	GEN9EBACOR		3/9/2017	6/8/2017	0.67	99.8678	76,898.21	77,000.00	76,870.47
025C	1000028509	US Treasury Bill	125MAIDLN		12/15/2016	6/15/2017	0.62	99.8738	12,278,484.97	12,294,000.00	12,255,402.99
143P	1000028764	US Treasury Bill	EDPGFD2010		2/23/2017	6/15/2017	0.51	99.8738	1,484,124.67	1,486,000.00	1,483,665.33
417P	1000028765	US Treasury Bill	PADSTEDCAP		2/23/2017	6/15/2017	0.51	99.8738	1,127,575.20	1,129,000.00	1,127,226.22
010C	1000028326	US Treasury Bill	UDCGENWC		10/19/2016	6/22/2017	0.47	99.8294	10,057,812.05	10,075,000.00	10,042,986.69
322S	1000029005	US Treasury Bill	ERIECANAL		3/30/2017	6/22/2017	0.76	99.8294	2,005,572.65	2,009,000.00	2,005,449.09
380B	1000028515	US Treasury Bill	CORULNTBSV		12/15/2016	6/22/2017	0.60	99.8294	255,563.26	256,000.00	255,193.60
381B	1000028516	US Treasury Bill	CORULNTDSR		12/15/2016	6/22/2017	0.60	99.8294	704,795.56	706,000.00	703,776.10
415B	1000028517	US Treasury Bill	COLULNBSV		12/15/2016	6/22/2017	0.60	99.8294	1,833,866.08	1,837,000.00	1,831,213.45
504S	1000029007	US Treasury Bill	PADISNTRNA		3/30/2017	6/22/2017	0.76	99.8294	4,653,048.33	4,661,000.00	4,652,761.68
529S	1000029008	US Treasury Bill	1BRYNTPKGR		3/30/2017	6/22/2017	0.76	99.8294	2,062,475.40	2,066,000.00	2,062,348.35
902B	1000028909	US Treasury Bill	EH8A1CEFP		3/23/2017	6/22/2017	0.71	99.8294	8,984.65	9,000.00	8,983.92
007C	1000028633	US Treasury Bill	HOUSGREPPD		1/5/2017	6/29/2017	0.60	99.8150	9,062,203.85	9,079,000.00	9,052,519.58
026C	1000028664	US Treasury Bill	OPEBLAB		1/17/2017	6/29/2017	0.54	99.8150	2,518,332.45	2,523,000.00	2,516,831.27
378B	1000028628	US Treasury Bill	COLULNDSR		1/3/2017	6/29/2017	0.58	99.8150	4,803,097.80	4,812,000.00	4,798,277.78
380B	1000028804	US Treasury Bill	CORULNTBSV		3/2/2017	6/29/2017	0.64	99.8150	126,765.05	127,000.00	126,733.58
380B	1000029041	US Treasury Bill	CORULNTBSV		3/30/2017	6/29/2017	0.74	99.8150	366,321.05	367,000.00	366,313.51
415B	1000028783	US Treasury Bill	COLULNBSV		3/1/2017	6/29/2017	0.48	99.8150	908,316.50	910,000.00	908,544.00
415B	1000029042	US Treasury Bill	COLULNBSV		3/30/2017	6/29/2017	0.74	99.8150	2,807,795.95	2,813,000.00	2,807,738.13
624B	1000029077	US Treasury Bill	CKULNRFBSV		3/31/2017	6/29/2017	0.71	99.8150	82,846.45	83,000.00	82,853.71
783B	1000029078	US Treasury Bill	UFCGRR95BS		3/31/2017	6/29/2017	0.71	99.8150	576,930.70	578,000.00	576,981.28

New York State Urban Development Corp. d/b/a ESD

Investment Position Report

As of 3/31/17

BAC	DEAL ID	Instrument Type	Portfolio	Rate	Settle	Maturity	Est YTM	Market Price	Market Value (\$'s)	Par Amount (\$'s)	Cost (Including
								a/o 3/31/17			Purchased Int.) (\$'s)
884B	1000029016	US Treasury Bill	SVCT07ABSV		3/30/2017	6/29/2017	0.74	99.8150	109,796.50	110,000.00	109,794.24
911B	1000029017	US Treasury Bill	SVCT08BBSV		3/30/2017	6/29/2017	0.74	99.8150	198,631.85	199,000.00	198,627.76
913B	1000029019	US Treasury Bill	SVCT08CBSV		3/30/2017	6/29/2017	0.74	99.8150	66,876.05	67,000.00	66,874.67
914B	1000029021	US Treasury Bill	SVCT08DBSV		3/30/2017	6/29/2017	0.74	99.8150	339,371.00	340,000.00	339,364.01
990B	1000029024	US Treasury Bill	SVCT10ABSV		3/30/2017	6/29/2017	0.74	99.8150	307,430.20	308,000.00	307,423.87
007C	1000028732	US Treasury Bill	HOUSGREPFD		2/16/2017	7/20/2017	0.60	99.7657	10,376,630.46	10,401,000.00	10,374,304.10
010C	1000028536	US Treasury Bill	UDCGENWC		12/16/2016	7/20/2017	0.66	99.7657	16,421,434.22	16,460,000.00	16,395,312.20
025C	1000028668	US Treasury Bill	125MAIDLN		1/19/2017	7/20/2017	0.60	99.7657	10,762,723.72	10,788,000.00	10,755,276.40
026C	1000028544	US Treasury Bill	OPEBLIAB		12/21/2016	7/20/2017	0.64	99.7657	5,037,170.19	5,049,000.00	5,030,208.60
799B	1000028629	US Treasury Bill	CPSB4AREV		1/4/2017	7/20/2017	0.63	99.7657	4,115,335.13	4,125,000.00	4,110,779.06
010C	1000028758	US Treasury Bill	UDCGENWC		2/21/2017	8/17/2017	0.64	99.7027	20,146,924.59	20,207,000.00	20,143,912.06
046B	1000028911	US Treasury Bill	GN11AEQUIP		3/24/2017	9/21/2017	0.87	99.5795	11,783,242.24	11,833,000.00	11,781,389.22
056B	1000028913	US Treasury Bill	GN11BCAFT		3/24/2017	9/21/2017	0.87	99.5795	3,460,387.63	3,475,000.00	3,459,843.45
072B	1000028877	US Treasury Bill	GN13ASTPO		3/23/2017	9/21/2017	0.89	99.5795	5,306,591.56	5,329,000.00	5,305,224.52
093B	1000029089	US Treasury Bill	GN13ARSTR		3/23/2017	9/21/2017	0.89	99.5795	18,441,127.61	18,519,000.00	18,436,376.96
100B	1000028914	US Treasury Bill	GN13AREDP		3/24/2017	9/21/2017	0.87	99.5795	1,821,309.06	1,829,000.00	1,821,022.64
108B	1000028915	US Treasury Bill	GN13BTXRCF		3/24/2017	9/21/2017	0.87	99.5795	6,594,154.49	6,622,000.00	6,593,117.50
109B	1000028916	US Treasury Bill	GN13BTXCAP		3/24/2017	9/21/2017	0.87	99.5795	9,535,732.92	9,576,000.00	9,534,233.34
145B	1000028917	US Treasury Bill	GN13FCAPUN		3/24/2017	9/21/2017	0.87	99.5795	2,012,501.70	2,021,000.00	2,012,185.21
148B	1000028918	US Treasury Bill	GN13FECTRA		3/24/2017	9/21/2017	0.87	99.5795	9,088,620.97	9,127,000.00	9,087,191.70
154B	1000028919	US Treasury Bill	GN13FREGCA		3/24/2017	9/21/2017	0.87	99.5795	9,983,840.67	10,026,000.00	9,982,270.63
164B	1000028921	US Treasury Bill	GN14AEOF		3/24/2017	9/21/2017	0.87	99.5795	3,584,862.00	3,600,000.00	3,584,298.25
178B	1000028885	US Treasury Bill	GN14BNANO		3/23/2017	9/21/2017	0.89	99.5795	29,944,551.45	30,071,000.00	29,936,837.40
206B	1000028924	US Treasury Bill	GN15BNANO		3/24/2017	9/21/2017	0.87	99.5795	20,144,932.85	20,230,000.00	20,141,764.89
974B	1000028927	US Treasury Bill	GEN9DTXCAI		3/24/2017	9/21/2017	0.87	99.5795	2,140,959.25	2,150,000.00	2,140,622.57
010B	1000029026	US Treasury Bill	GN10AEQUIP		3/30/2017	9/28/2017	0.85	99.5576	48,783.22	49,000.00	48,790.92
257B	1000029079	US Treasury Bill	GN17BHTMFG		3/31/2017	9/28/2017	0.85	99.5576	37,831.89	38,000.00	37,839.13
266B	1000029080	US Treasury Bill	GN17BPEMFG		3/31/2017	9/28/2017	0.85	99.5576	5,973.46	6,000.00	5,974.60
010C	1000029047	US Treasury Bill	UDCGENWC		3/31/2017	9/28/2017	0.88	99.5576	15,125,786.17	15,193,000.00	15,125,779.42
083B	1000029027	US Treasury Bill	GN13AUPCT		3/30/2017	9/28/2017	0.85	99.5576	33,849.58	34,000.00	33,854.93
104B	1000029053	US Treasury Bill	GN13BTXDNR		3/31/2017	9/28/2017	0.85	99.5576	5,973.46	6,000.00	5,974.60
105B	1000029054	US Treasury Bill	GN13BTXUPC		3/31/2017	9/28/2017	0.85	99.5576	94,579.72	95,000.00	94,597.83
107B	1000029009	US Treasury Bill	GN13BTXSUC		3/30/2017	9/28/2017	0.89	99.5576	45,256,893.81	45,458,000.00	45,254,613.33
107B	1000029055	US Treasury Bill	GN13BTXSUC		3/31/2017	9/28/2017	0.84	99.5576	995.58	1,000.00	995.77
109B	1000029010	US Treasury Bill	GN13BTXCAP		3/30/2017	9/28/2017	0.89	99.5576	1,706,417.26	1,714,000.00	1,706,331.28
109B	1000029056	US Treasury Bill	GN13BTXCAP		3/31/2017	9/28/2017	0.85	99.5576	5,973.46	6,000.00	5,974.60
126B	1000029057	US Treasury Bill	GN13ECAPED		3/31/2017	9/28/2017	0.85	99.5576	810,398.86	814,000.00	810,554.02
131B	1000029028	US Treasury Bill	GN13ENYSBD		3/30/2017	9/28/2017	0.85	99.5576	3,982.30	4,000.00	3,982.93
135B	1000029029	US Treasury Bill	GN13EUPRBL		3/30/2017	9/28/2017	0.85	99.5576	13,938.06	14,000.00	13,940.26
144B	1000029030	US Treasury Bill	GN13FBURIC		3/30/2017	9/28/2017	0.85	99.5576	38,827.46	39,000.00	38,833.59
144B	1000029058	US Treasury Bill	GN13FBURIC		3/31/2017	9/28/2017	0.84	99.5576	995.58	1,000.00	995.77
152B	1000029059	US Treasury Bill	GN13FSUN20		3/31/2017	9/28/2017	0.85	99.5576	155,309.86	156,000.00	155,339.59

New York State Urban Development Corp. d/b/a ESD  
Investment Position Report  
As of 3/31/17

BAC	DEAL ID	Instrument Type	Portfolio	Rate	Settle	Maturity	Est YTM	Market Price	Market Value (\$'s)	Par Amount (\$'s)	Cost (Including
								a/o 3/31/17			Purchased Int.) (\$'s)
153B	1000029060	US Treasury Bill	GN13FNYS		3/31/2017	9/28/2017	0.85	99.5576	14,933.64	15,000.00	14,936.50
154B	1000029011	US Treasury Bill	GN13FREGCA		3/30/2017	9/28/2017	0.89	99.5576	16,000,897.47	16,072,000.00	16,000,091.19
154B	1000029061	US Treasury Bill	GN13FREGCA		3/31/2017	9/28/2017	0.85	99.5576	7,964.61	8,000.00	7,966.13
157B	1000029062	US Treasury Bill	GN13FNANO		3/31/2017	9/28/2017	0.85	99.5576	875,111.30	879,000.00	875,278.85
158B	1000029031	US Treasury Bill	GN13FBUFBL		3/30/2017	9/28/2017	0.85	99.5576	146,349.67	147,000.00	146,372.77
162B	1000029032	US Treasury Bill	GN14ABURIC		3/30/2017	9/28/2017	0.85	99.5576	31,858.43	32,000.00	31,863.46
162B	1000029063	US Treasury Bill	GN14ABURIC		3/31/2017	9/28/2017	0.84	99.5576	995.58	1,000.00	995.77
175B	1000029033	US Treasury Bill	GN14BHSG		3/30/2017	9/28/2017	0.85	99.5576	33,849.58	34,000.00	33,854.93
176B	1000029064	US Treasury Bill	GN14BBUFBL		3/31/2017	9/28/2017	0.85	99.5576	83,628.38	84,000.00	83,644.40
177B	1000029034	US Treasury Bill	GN14BBURIC		3/30/2017	9/28/2017	0.85	99.5576	4,977.88	5,000.00	4,978.67
180B	1000029065	US Treasury Bill	GN14BGENM		3/31/2017	9/28/2017	0.85	99.5576	228,982.48	230,000.00	229,026.32
190B	1000029012	US Treasury Bill	GN15AHMINT		3/30/2017	9/28/2017	0.88	99.5576	38,951,911.00	39,125,000.00	38,950,937.22
190B	1000029066	US Treasury Bill	GN15AHMINT		3/31/2017	9/28/2017	0.85	99.5576	2,986.73	3,000.00	2,987.30
193B	1000029035	US Treasury Bill	GN15AYTH		3/30/2017	9/28/2017	0.85	99.5576	39,823.04	40,000.00	39,829.32
193B	1000029067	US Treasury Bill	GN15AYTH		3/31/2017	9/28/2017	0.84	99.5576	995.58	1,000.00	995.77
202B	1000029036	US Treasury Bill	GN15ALOCTR		3/30/2017	9/28/2017	0.85	99.5576	604,314.63	607,000.00	604,410.00
202B	1000029068	US Treasury Bill	GN15ALOCTR		3/31/2017	9/28/2017	0.85	99.5576	1,991.15	2,000.00	1,991.53
208B	1000029013	US Treasury Bill	GN15BBURIC		3/30/2017	9/28/2017	0.88	99.5576	129,387,048.11	129,962,000.00	129,383,813.50
209B	1000029069	US Treasury Bill	GN15BGENM		3/31/2017	9/28/2017	0.85	99.5576	145,354.10	146,000.00	145,381.93
255B	1000029070	US Treasury Bill	GN17BBURIC		3/31/2017	9/28/2017	0.85	99.5576	37,831.89	38,000.00	37,839.13
261B	1000029071	US Treasury Bill	GN17BNYWED		3/31/2017	9/28/2017	0.85	99.5576	2,986.73	3,000.00	2,987.30
263B	1000029072	US Treasury Bill	GN17BNANO		3/31/2017	9/28/2017	0.85	99.5576	3,982.30	4,000.00	3,983.07
437B	1000029037	US Treasury Bill	COP15FARCI		3/30/2017	9/28/2017	0.85	99.5576	16,924.79	17,000.00	16,927.46
609B	1000029038	US Treasury Bill	UFCGRR95DS		3/30/2017	9/28/2017	0.85	99.5576	880,089.18	884,000.00	880,228.07
609B	1000029073	US Treasury Bill	UFCGRR95DS		3/31/2017	9/28/2017	0.85	99.5576	3,982.30	4,000.00	3,983.07
625B	1000029039	US Treasury Bill	CKULNRFDSS		3/30/2017	9/28/2017	0.85	99.5576	559,513.71	562,000.00	559,602.01
625B	1000029074	US Treasury Bill	CKULNRFDSS		3/31/2017	9/28/2017	0.85	99.5576	1,991.15	2,000.00	1,991.53
823B	1000029075	US Treasury Bill	EH4B3TXEMPOP		3/31/2017	9/28/2017	0.85	99.5576	56,747.83	57,000.00	56,758.70
974B	1000029040	US Treasury Bill	GEN9DTXCAI		3/30/2017	9/28/2017	0.85	99.5576	36,836.31	37,000.00	36,842.13
975B	1000029023	US Treasury Bill	GEN9DTXDWR		3/30/2017	9/28/2017	0.89	99.5576	8,399,674.71	8,437,000.00	8,399,251.46
975B	1000029076	US Treasury Bill	GEN9DTXDWR		3/31/2017	9/28/2017	0.85	99.5576	2,986.73	3,000.00	2,987.30
									658,689,673.72	660,789,000.00	658,362,128.21
<b>GRAND TOTALS</b>									<b>1,600,892,951.11</b>	<b>1,605,237,319.00</b>	<b>1,600,170,907.76</b>



**Item I.C.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Statewide – Life Sciences Initiatives Program – Capital Assistance,  
New York State Urban Development Corporation Act (“UDC Act”)  
Section 16-aa

REQUEST FOR: Authorization to Promulgate Rules and Regulations and Adopt Guidelines  
for the Implementation of the Life Sciences Initiatives Program – Capital  
Assistance; Authorization to Take Related Actions

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I. Background

The Legislature recently amended the UDC Act to add a new section 16-aa creating the Life Sciences Initiatives program. This program is designed to attract new life sciences technologies, to promote critical public and private sector investment in emerging life sciences fields in New York State and to create and expand life sciences businesses and employment. Life sciences are defined as advanced and applied sciences that expand the understanding of human physiology and have the potential to lead to medical advances or therapeutic applications including, but not limited to, academic medical centers, agricultural biotechnology, biogenetics, bioinformatics, biomedical engineering, biopharmaceuticals, biotechnology, chemical synthesis, chemistry technology, diagnostics, genomics, image analysis, marine biology, marine technology, medical devices, nanotechnology, natural product pharmaceuticals, proteomics, regenerative medicine, RNA interference, stem cell research, clinical trials, including, but not limited to, neurological clinical trials and veterinary science. The program has been appropriated \$320 million.

The Capital Assistance component of the Life Sciences Initiatives Program is the first component of the Life Sciences Initiative, with other components to be brought to the board in the coming months. The New York State Urban Development Corporation (the “Corporation”) anticipates the other elements of the program to include support for venture investments as well as the support of research labs and medical centers. Capital Assistance is a critical component to this Initiative as it endeavors to attract new life sciences technologies to the State, promote critical public and private sector investment in emerging life sciences fields in the State and create and expand life sciences related businesses and employment throughout the State.

The Capital Assistance component of the Life Sciences Initiative will provide financial assistance to life sciences entities engaged in the creation, expansion, enhancement or acceleration of life sciences programs throughout the State that leads to: 1) the commercialization of life sciences in New York State; 2) the creation or retention of jobs in the life sciences industry employing full time permanent employees; 3) the promotion of the life science ecosystem within a region of the State; 4) new patents in life science; 5) additional commercial laboratory space; or 6) additional venture capital money for Life Sciences Entities in New York State. Funding is available for eligible uses such as new construction, renovation or leasehold improvements; the acquisition or leasing of land, buildings, machinery and equipment; working capital, including, without limitation, workforce development; and feasibility or planning studies.

The Corporation seeks to adopt guidelines covering the administration of this element of the Program immediately and proceed with rulemaking on an emergency basis. In the coming months, the Corporation will propose a set of rules containing all components of the Program for public comment.

## II. Statutory Basis

The Program is authorized under Section 16-aa of the UDC Act which also calls for the adoption of rules to implement the program.

## III. Environmental Review

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

## IV. Requested Actions

The Directors are requested to authorize the adoption of Guidelines and promulgation of the Rule and Regulations for the Life Sciences Initiatives Program substantially in the form annexed to these materials with such modifications and additions as the Corporation's General Counsel shall deem necessary or appropriate for the implementation of the Program and compliance with the State Administration Procedure Act ("SAPA") and applicable laws and regulations and to authorize the taking of all related actions necessary or appropriate to effectuate the foregoing.

## V. Recommendation

Based on the foregoing, I recommend that the requested actions be approved.

## Attachments

Resolution

Draft Rules and Guidelines

July 27, 2017

Statewide – Life Sciences Initiatives Program – Capital Assistance, New York State Urban Development Corporation Act Section 16-aa – Authorization to Promulgate Rules and Regulations and Adopt Guidelines for the Implementation of the Life Sciences Initiatives Program – Capital Assistance; Authorization to Take Related Actions

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RESOLVED, that the Corporation hereby authorizes the implementation and adoption of the rule and regulations (the "Rule") for the Capital Assistance component of the Life Sciences Initiatives Program (the "Program") created pursuant to Section 16-aa of the New York State Urban Development Corporation Act ("UDC Act") as described in the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), to provide for implementation of the Program in accordance with Section 16-aa of the UDC Act; and be it further

RESOLVED, that the Corporation hereby authorizes the adoption of guidelines for the Program (the "Guidelines") as described in the Materials, to provide for implementation of the Program in accordance with Section 16-aa of the UDC Act; and be it further

RESOLVED, that the General Counsel of the Corporation, or his or her designee, is authorized to proceed with and make modifications and additions to the Rule and Guidelines as may be necessary or appropriate in order to implement the Program and comply, where applicable, with SAPA, including the emergency process under SAPA, and other applicable laws and regulations; and be it further

RESOLVED, that the General Counsel of the Corporation, or her 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 action as he or she may in his or her sole discretion consider to be necessary or appropriate to effectuate the foregoing resolutions.

\* \* \*

# **LIFE SCIENCES INITIATIVE PROGRAM RULES AND REGULATIONS**

**LIFE SCIENCES INITIATIVE PROGRAM**

21 NYCRR Chapter L Part 4255

**Statutory Authority**

**Section 16-aa of the New York State Urban Development Corporation Act, Chapter 174 of the Laws of 1968, as amended**

**Historical Note**

**Part 4255 (Sections 4255.1 – 4255.5) filed July \_\_\_\_, 2017, effective July \_\_\_\_, 2017**

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## **Part 4255 Life Sciences Initiative Program**

### **Section 4255.1 Purpose and General Description.**

The Life Sciences Initiatives Program (the "Program") is established for the purpose of nurturing, growing and retaining new life sciences companies in New York State, attracting existing companies from outside New York State, promoting critical public and private sector investment in emerging life sciences fields in the State, and creating and expanding life sciences related businesses and employment. It is intended to operate in areas identified by the New York State Urban Development Corporation ("the Corporation") as having significant potential for economic growth in New York, or in which the application of new life sciences technologies could significantly enhance the productivity and stability of New York businesses.

The first component of this Program, Capital Assistance, is a critical component to this Initiative as it endeavors to attract new life sciences technologies to the State, promote critical public and private sector investment in emerging life sciences fields in the State and create and expand life sciences related businesses and employment throughout the State. The Corporation anticipates the other elements of the program to include support for venture investments as well as the support of research labs and medical centers. The Corporation may allocate funds from the Program to cover the Corporation's administrative costs associated with the Program.

If the proposal satisfies the applicable requirements and Program funding is available, the proposal may be presented to the Corporation's Directors or President/Chief Executive Officer for consideration and approval in accordance with applicable law and regulations. The Directors normally meet once a month. If the project is approved for funding and if it involves the acquisition, construction, reconstruction, rehabilitation, alteration or improvement of any property, the Corporation will schedule a public hearing in accordance with the Act and will take such further action as may be required by the Act and applicable law and regulations. After approval by the Corporation and a public hearing, if required, the project may then be reviewed by the State Public Authorities Control Board ("PACB"), which also generally meets once a month, in accordance with PACB requirements and policies. Following Directors' approval, and PACB approval, if required, documentation will be prepared by the Corporation. Notwithstanding the foregoing, no Program project shall be funded if sufficient Program monies are not received by the Corporation for such project.



## Section 4255.2. Capital Assistance Program

(a) **Definitions.** For the purposes of this section, the terms below shall have the following meaning:

- (1) “Life Sciences” shall mean advanced and applied sciences that expand the understanding of human physiology and have the potential to lead to medical advances or therapeutic applications including, but not limited to, academic medical centers, agricultural biotechnology, biogenics, bioinformatics, biomedical engineering, biopharmaceuticals, biotechnology, chemical synthesis, chemistry technology, diagnostics, genomics, image analysis, marine biology, marine technology, medical devices, nanotechnology, natural product pharmaceuticals, proteomics, regenerative medicine, RNA interference, stem cell research, clinical trials, including, but not limited to, neurological clinical trials and veterinary science.
- (2) “Life Sciences Entity” shall mean a non-retail business corporation, partnership, firm, or any other non-retail business entity, not for profit organization or academic medical center, unincorporated association, or other entity engaged in life sciences research, development, manufacturing or commercialization.
- (3) “Corporation” shall mean the New York State Urban Development Corporation doing business as Empire State Development.
- (4) “Life Sciences Economic Development Benefits” means the creation, expansion, enhancement or acceleration of life sciences programs throughout the State that leads to:
  - i. the commercialization of life sciences in New York State;
  - ii. the creation or retention of jobs in the life sciences industry employing full time permanent employees;
  - iii. the promotion of the life science ecosystem within a region of the State;
  - iv. new patents in life science;
  - v. additional commercial laboratory space; or

vi. additional venture capital money for Life Sciences Entities in New York State.

- (5) "Evaluation Criteria" shall mean the criteria set forth in paragraph d of this Section 4255.2 to be applied by the Corporation in evaluating applications for Capital Assistance Program funding.
- (6) "Full Time Permanent Employee" shall mean (i) a full-time, permanent, private-sector employee on a Life Sciences Entity's payroll, who has worked at the Project Location for a minimum of 35 hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by the entity to other employees with comparable rank and duties; or (ii) two part-time, permanent, private-sector employees on the Life Sciences Entity's payroll, who have worked at the project location for a combined minimum of 35 hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by the entity to other employees with comparable rank and duties.

**(b) Available Capital Assistance.**

The Capital Assistance Program makes available financial assistance in the form of grants or loans (secured or unsecured), or a combination of such assistance, in the Corporation's discretion, for use by Life Sciences Entities for Eligible Uses as set forth in paragraph e of this Section 4255.2.

**(c) Application Process.**

- (1) Applications from Life Sciences Entities will be accepted on a rolling basis throughout the year. Life Sciences Entities requesting Capital Assistance shall provide the following information about the project and the applicant, as applicable, in a form provided by, or otherwise acceptable to, the Corporation:
- i. a description of the project or activity, including information indicating how the proposed project or activity will create, expand, enhance or accelerate the commercial life science industry through programs, research, job creation and retention within New York state and will result in the other Life Sciences Economic Development Benefits as defined in paragraph A (4) of this Section 4255.2;

- ii. the number and amount of other funding, including federal, that the applicant has applied for, is eligible for or has received for the same initiative;
  - iii. the number of jobs in the life sciences industry employing Full Time Permanent Employees to be created or retained as a result of the proposed project or activity, the titles or classifications of such jobs and the average annual salaries associated with each;
  - iv. information about the applicant, including but not limited to, its history, ownership, size, primary products offered or services rendered, major customers, its market and marketing strategy;
  - v. information about the proposed project financing including, but not limited to, total project cost, total Program assistance requested, a budget breakdown of the sources and proposed uses of all funding, a description of the need for the requested Program funding and justification for the amount requested
  - vi. a description of how the project will be implemented, including a project schedule, and the current status of the project;
  - vii. anticipated project results; and
  - viii. information with respect to the site of the project and the impact, if any, on the environment and any landmark or historic properties.
- (2) Depending on the nature of the project or activity (such as acquisition of machinery and equipment; acquisition, construction or renovation of property, etc.) and the type of assistance requested, Life Science Entities may be required to provide other information about the project, including some or all of the following, as may be appropriate:
- i. a complete set of financial statements for at least the three preceding fiscal years, operating pro formas going forward three years, and current financial statements for any proposed guarantors;
  - ii. a list of proposed collateral, with any available appraisals;
  - iii. resumes of principal officers and a list of owners, shareholders, or partners;

- iv. a copy of any related real estate purchase option or contract for sale;
  - v. a legal description and survey of the property;
  - vi. a construction-to-occupancy schedule; and
  - vii. copies of any preliminary architectural drawings, scope of work, cost estimates and schematics.
- (3) Applications may include a request for funding for single or multiple Life Sciences projects or activities.
- (4) Upon receipt of the application, the Corporation shall review the application for eligibility, completeness, and conformance with the applicable requirements of these guidelines. Applications shall be processed in full compliance with the applicable provisions of section 16-aa of the Urban Development Corporation Act.

**(d) Evaluation Criteria**

The Corporation shall evaluate applications for Capital Assistance in accordance with the following criteria as applicable:

- (1) the financial condition of the entity undertaking the project, including its profitability or potential to generate profits; liquidity; ability to service debt and its leverage ratio;
- (2) management experience, ability and relevant knowledge and the relevant entity's general ability to carry out the project;
- (3) satisfactory credit references;
- (4) the absence of state or local tax judgments; provided however, in the case of a tax certiorari proceeding a life sciences entity would not be considered in arrears until a final decision is made with respect to such proceeding;
- (5) whether the applicant clearly demonstrates how the proposal will result in Life Sciences Economic Development Benefits and the likelihood that the project will result in Life Sciences Economic Development Benefits to the State;
- (6) the availability of other sources of funding, including offers of assistance from locations outside of the State, including the federal government, and the amount of private financing leveraged by Program funds; and

- (7) The Corporation may consider the terms of any economic development assistance available as an incentive for the location of the proposed project outside the State.

**(e) Eligible Uses**

Capital Assistance Program funds may be used for:

- (1) new construction, renovation or leasehold improvements;
- (2) the acquisition or leasing of land, buildings, machinery and equipment;
- (3) working capital, including, without limitation, workforce development; and
- (4) feasibility or planning studies.

**(f) Ineligible Uses**

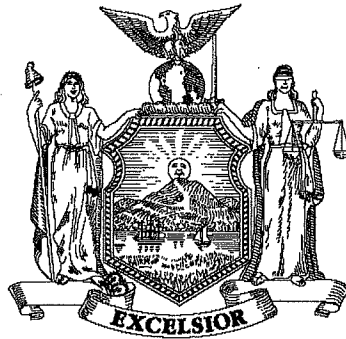
Institutions that are exclusively health care providers and/or requests for the purchase of equipment associated with standard healthcare delivery are not eligible for Capital Assistance Program funding.

**(g) Reporting requirements**

Applicants shall submit an annual report satisfactory to the Corporation on the operation and accomplishments of the project including, without limitation, a description of the activities undertaken, the economic impact of the project, the number and amount of other sources of funding for the project including federal funds jobs employing Full Time Permanent Employees created and retained, and the average salary of such jobs.

Guidelines For  
Financial Assistance

**Life Sciences  
Initiative Program  
Guidelines**



**State of New York**  
Andrew M. Cuomo, Governor

**Empire State Development**

**LIFE SCIENCES INITIATIVE PROGRAM**

**Statutory Authority**

**Section 16-aa of the New York State Urban Development Corporation Act, Chapter 174 of  
the Laws of 1968, as amended**

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## **Life Sciences Initiatives Program Guidelines**

### **Overview**

#### **Statutory Authority**

Section 16-aa of the New York State Urban Development Corporation Act, Section 1 of Chapter 174 of the Laws of 1968, as amended, entitled “Life Sciences Initiatives Program,” as added by Part TT of Chapter 58 of the Laws of 2017.

#### **Program Background**

The Life Sciences Initiatives Program (the “Program”) is established for the purpose of nurturing, growing and retaining new life sciences companies in New York State, attracting existing companies from outside New York State, promoting critical public and private sector investment in emerging life sciences fields in the State, and creating and expanding life sciences related businesses and employment. It is intended to operate in areas identified by the New York State Urban Development Corporation (the “Corporation”) as having significant potential for economic growth in New York, or in which the application of new life sciences technologies could significantly enhance the productivity and stability of New York businesses.

#### **Program Assistance**

The first component of this Program, Capital Assistance, is a critical component to this Initiative as it endeavors to attract new life sciences technologies to the State, promote critical public and private sector investment in emerging life sciences fields in the State and create and expand life sciences related businesses and employment throughout the State. The Corporation anticipates the other elements of the program to include support for venture investments as well as the support of research labs and medical centers.

#### **Program Administration**

The Corporation may allocate funds from the Program to cover the Corporation’s administrative costs associated with the Program.

### **Approval of Projects**

If the proposal satisfies the applicable requirements and Program funding is available, the proposal may be presented to the Corporation's Directors or President/Chief Executive Officer for consideration and approval in accordance with applicable law and regulations. The Directors normally meet once a month. If the project is approved for funding and if it involves the acquisition, construction, reconstruction, rehabilitation, alteration or improvement of any property, the Corporation will schedule a public hearing in accordance with the Act and will take such further action as may be required by the Act and applicable law and regulations. After approval by the Corporation and a public hearing, if required, the project may then be reviewed by the State Public Authorities Control Board ("PACB"), which also generally meets once a month, in accordance with PACB requirements and policies. Following Directors' approval, and PACB approval, if required, documentation will be prepared by the Corporation. Notwithstanding the foregoing, no Program project shall be funded if sufficient Program monies are not received by the Corporation for such project.

## I. Capital Assistance Program

### A. Definitions

- (1) "Life Sciences" shall mean advanced and applied sciences that expand the understanding of human physiology and have the potential to lead to medical advances or therapeutic applications including, but not limited to, academic medical centers, agricultural biotechnology, biogenetics, bioinformatics, biomedical engineering, biopharmaceuticals, biotechnology, chemical synthesis, chemistry technology, diagnostics, genomics, image analysis, marine biology, marine technology, medical devices, nanotechnology, natural product pharmaceuticals, proteomics, regenerative medicine, RNA interference, stem cell research, clinical trials, including, but not limited to, neurological clinical trials and veterinary science.
- (2) "Life Sciences Entity" shall mean a non-retail business corporation, partnership, firm, or any other non-retail business entity, not for profit organization or academic medical center, unincorporated association, or other entity engaged in life sciences research, development, manufacturing or commercialization.
- (3) "Corporation" shall mean the New York State Urban Development Corporation doing business as Empire State Development.
- (4) "Life Sciences Economic Development Benefits" means the creation, expansion, enhancement or acceleration of life sciences programs throughout the State that leads to:
  - a. the commercialization of life sciences in New York State;
  - b. the creation or retention of jobs in the life sciences industry employing full time permanent employees;
  - c. the promotion of the life science ecosystem within a region of the State;
  - d. new patents in life science;
  - e. additional commercial laboratory space; or
  - f. additional venture capital money for Life Sciences Entities in New York State.

- (5) "Evaluation Criteria" shall mean the criteria set forth in paragraph D of this Section I to be applied by the Corporation in evaluating applications for Capital Assistance Program funding.
- (6) "Full-Time Permanent Employee" shall mean (i) a full-time, permanent, private-sector employee on a Life Sciences Entity's payroll, who has worked at the Project Location for a minimum of 35 hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by the entity to other employees with comparable rank and duties; or (ii) two part-time, permanent, private-sector employees on the Life Sciences Entity's payroll, who have worked at the project location for a combined minimum of 35 hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by the entity to other employees with comparable rank and duties.

**B. Available Capital Assistance**

The Capital Assistance Program makes available financial assistance in the form of grants or loans (secured or unsecured), or a combination of such assistance, in the Corporation's discretion, for use by Life Sciences Entities for Eligible Uses as set forth in paragraph E of this Section I.

**C. Application Process**

- (1) Applications from Life Sciences Entities will be accepted on a rolling basis throughout the year. Life Sciences Entities requesting Capital Assistance shall provide the following information about the project and the applicant, as applicable, in a form provided by, or otherwise acceptable to, the Corporation:
  - a. a description of the project or activity, including information indicating how the proposed project or activity will create, expand, enhance or accelerate the commercial life science industry through programs, research, job creation and retention within New York state and will result in the other Life Sciences Economic Development Benefits as defined in paragraph A (4) of this Section I;
  - b. the number and amount of other funding, including federal, that the applicant has applied for, is eligible for or has received for the same initiative;

- c. the number of jobs in the life sciences industry employing Full Time Permanent Employees to be created or retained as a result of the proposed project or activity, the titles or classifications of such jobs and the average annual salaries associated with each;
  - d. information about the applicant, including but not limited to, its history, ownership, size, primary products offered or services rendered, major customers, its market and marketing strategy;
  - e. information about the proposed project financing including, but not limited to, total project cost, total Program assistance requested, a budget breakdown of the sources and proposed uses of all funding, a description of the need for the requested Program funding and justification for the amount requested
  - f. a description of how the project will be implemented, including a project schedule, and the current status of the project;
  - g. anticipated project results ; and
  - h. information with respect to the site of the project and the impact, if any, on the environment and any landmark or historic properties.
- (2) Depending on the nature of the project or activity (such as acquisition of machinery and equipment; acquisition, construction or renovation of property, etc.) and the type of assistance requested, Life Science Entities may be required to provide other information about the project, including some or all of the following, as may be appropriate:
- a. a complete set of financial statements for at least the three preceding fiscal years, operating pro formas going forward three years, and current financial statements for any proposed guarantors;
  - b. a list of proposed collateral, with any available appraisals;
  - c. resumes of principal officers and a list of owners, shareholders, or partners;
  - d. a copy of any related real estate purchase option or contract for sale;
  - e. a legal description and survey of the property;

- f. a construction-to-occupancy schedule; and
  - g. copies of any preliminary architectural drawings, scope of work, cost estimates and schematics.
- (3) Applications may include a request for funding for single or multiple Life Sciences projects or activities.
- (4) Upon receipt of the application, the Corporation shall review the application for eligibility, completeness, and conformance with the applicable requirements of these guidelines. Applications shall be processed in full compliance with the applicable provisions of section 16-aa of the Urban Development Corporation Act.

**D. Evaluation Criteria**

The Corporation shall evaluate applications for Capital Assistance in accordance with the following criteria as applicable:

- (1) the financial condition of the entity undertaking the project, including its profitability or potential to generate profits; liquidity; ability to service debt and its leverage ratio;
- (2) management experience, ability and relevant knowledge and the relevant entity's general ability to carry out the project;
- (3) satisfactory credit references;
- (4) the absence of state or local tax judgments; provided however, in the case of a tax certiorari proceeding a life sciences entity would not be considered in arrears until a final decision is made with respect to such proceeding;
- (5) whether the applicant clearly demonstrates how the proposal will result in Life Sciences Economic Development Benefits and the likelihood that the project will result in Life Sciences Economic Development Benefits to the State;
- (6) the availability of other sources of funding, including offers of assistance from locations outside of the State, including the federal government, and the amount of private financing leveraged by Program funds; and
- (7) The Corporation may consider the terms of any economic development assistance available as an incentive for the location of the proposed project outside the State.

**E. Eligible Uses**

Capital Assistance Program funds may be used for:

- (1) new construction, renovation or leasehold improvements;
- (2) the acquisition or leasing of land, buildings, machinery and equipment;
- (3) working capital, including, without limitation, workforce development; and
- (4) feasibility or planning studies.

**F. Ineligible Uses**

Institutions that are exclusively health care providers and/or requests for the purchase of equipment associated with standard healthcare delivery are not eligible for Capital Assistance Program funding.

**G. Reporting requirements**

Applicants shall submit an annual report satisfactory to the Corporation on the operation and accomplishments of the project including, without limitation, a description of the activities undertaken, the economic impact of the project, the number and amount of other sources of funding for the project including federal funds jobs employing Full Time Permanent Employees created and retained, and the average salary of such jobs.

**Item I. D.**





**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard Zemsky

**SUBJECT:** Statewide – Lake Ontario Small Business Recovery Fund

**REQUEST FOR:** Authorization to Amend Guidelines; Authorization to Make Grants;  
Delegation of Authority; Authorization to Take Related Actions

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**I. Program Summary**

**Grantees:** Small businesses; not for profits; farms; owners of multiple dwellings;  
and, homeowners associations affected by flooding.

**ESD Investment:** \$15 million

**Locations:** Covered Waterways including Lake Ontario; St. Lawrence River; Seneca  
Lake; Seneca River; Oswego River; Oneida River; Oneida Lake; and, Cross  
Lake.

**Regional Councils:** Regional Councils have been made aware of this item.

**Eligible Cost Date:** January 1, 2017 – August 31, 2017

**Anticipated  
Appropriation  
Source:** NY Works Economic Development Fund (\$5 million)  
State and Municipal Facilities Fund (\$10 million)

**ESD Project No:** AC097

**Project Team:** Project Management - Christine Costopoulos/Brendan Healey  
Legal – Maria Cassidy  
Environmental – Soo Kang

## II. Program Description

### A. Background

The Guidelines for the Lake Ontario Small Business Recovery Fund were approved by the Directors on May 18, 2017. Since that date the New York State Legislature has increased the amount of money dedicated to the program from \$5 million to \$15 million; increased the maximum grant award from \$20,000 to \$50,000; expanded program eligibility from small businesses only to small businesses, not for profits, farms, owners of multiple family dwellings and homeowners associations; extended eligible loss to include revenue loss; and, expanded the geographic area covered by the program. Grants of up to \$50,000 may be provided for direct physical flood-related damage and up to \$50,000 for revenue loss, or a combination of both; however, in no instance shall any grant exceed \$50,000. Grants may cover damages which either have not or will not be compensated by any other federal, state or local recovery program or any third-party payers. The losses must have occurred between January 1, 2017 and on or before August 31, 2017. Program Assistance will be calculated at fifty percent (50%) of the net eligible loss for physical loss and fifty percent (50%) of the net eligible revenue loss. In order to be eligible for funding the applicant must have owned the impacted property at the time of the flooding.

### B. Grant Description

Small businesses; not for profits; farms; owners of multiple family dwellings; and, homeowners associations impacted by flooding of covered waterways including Lake Ontario; St. Lawrence River; Seneca Lake; Seneca River; Oswego River; Oneida River; Oneida Lake; and, Cross Lake may be eligible for grants up to \$50,000 due to physical losses to structures and other tangible assets. Grants can be used to help with direct physical flood-related damage, including but not limited to repair or replacement of damaged or destroyed real property and other tangible assets including equipment, furniture, fixtures, supplies, inventory, and chattel property. Losses must be for property and items used or created in the normal and customary course of operations. Eligible small businesses that suffer revenue loss of more than fifteen percent due to closures or reduced business caused by flooding may be eligible for up to \$50,000. Such small businesses do not also need to apply for assistance for physical loss to real property but they must have incurred direct physical flood-related damage from a covered waterway.

## III. Program Guidelines

Staff has prepared amended guidelines for adoption by the Directors for the implementation and administration of the program. The guidelines set forth the criteria for determining eligibility for grant assistance. The guidelines also set forth the various program and submission requirements and describe grant disbursement as well as audit processes. A copy of the amended guidelines for the program is attached hereto. It is expected that the guidelines may be further amended from time to time to address specific program needs.

## IV. Delegation of Authority

Since the disaster declaration on May 2, 2017 of this year, entities in the covered waterways

affected by the floods have been struggling to survive and recover from flood related losses. In the interest of responding to their needs and to implement this program as swiftly and effectively as possible, the Board is asked to delegate to the President and Chief Executive Officer of the Corporation or his designee(s) the authority to, 1) accept applications for grants; 2) approve grants; 3) make any necessary findings or take any necessary action that the Corporation may be required to take under the New York State Urban Development Corporation Act and other applicable law and regulations to effectuate the program; 4) approve project plans for the program; 5) hold any public hearings that may be necessary pursuant to applicable law; 6) act on behalf of the Corporation to affirm, modify or withdraw any contemplated grant assistance as a result of testimony given at any such hearing, if necessary; 7) disburse grant funds; and 8) to amend these guidelines from time to time as may be advisable to address program needs.

V. Environmental Review

ESD staff has determined that the requested authorization to adopt the Lake Ontario Small Business Recovery Fund guidelines and make grants constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

VI. ESD Employment Enforcement Policy

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

VII. Contractor and Supplier Diversity

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified Minority and Women-owned Business Enterprises ("MWBE") and Service Disabled Veteran-Owned Businesses ("SDVOB") in the performance of ESD projects and procurements. The ESD Office of Contract and Supplier Diversity has reviewed the project and has determined that none of the grants reach the minimum threshold for MWBE and SDVOB participation. As such, participation goals will not be established or required for these grants.

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 authorize the amended Lake Ontario Small Business Recovery Fund program; adopt amended program guidelines and authorize the President and Chief Executive Officer or his designee, to amend such guidelines from time to time; delegate to such officer or his designee(s) the authority to award grants to eligible entities in accordance with these materials, including but not limited to, authorizing such officer to make any necessary findings or to take any necessary action; that the Corporation may be required to take under

the New York State Urban Development Corporation Act (the "Act") and other applicable law and regulations; and authorize the taking of all related actions necessary or appropriate to effectuate the foregoing, including without limitation the holding of any public hearings that may be necessary pursuant to applicable law and to act on behalf of the Corporation to affirm, modify or withdraw any contemplated assistance as a result of testimony given at any such hearing, if necessary.

X. Additional Submissions to Directors

Resolutions

Guidelines

July 27, 2017

Statewide – Lake Ontario Small Business Recovery Fund – Authorization to Adopt Amended Guidelines; Delegation of Authority; Authorization to Make Grants; Authorization to Take Related Actions

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RESOLVED, that the Corporation hereby authorizes amendments to the Lake Ontario Small Business Recovery Fund (the “Program”), described in the materials presented in this meeting (the “Materials”), a copy of which has been presented to this meeting and is ordered filed with the records of the Corporation; and be it further

RESOLVED, that the Corporation hereby adopts amended guidelines for the Program, a copy of which has been presented to this meeting and is included in the Materials, and authorizes the President and Chief Executive Officer of the Corporation, or his designee(s), to amend, from time to time, such guidelines (such guidelines, as they may from time to time be amended, the “Guidelines”) as he or she deems necessary or appropriate to effectuate the purposes of the Program; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) is hereby authorized to accept grant applications pursuant to the Program in accordance with the amended Guidelines and these Materials and to take such other actions as are necessary in order to effectuate the purposes of the Program; and be it further

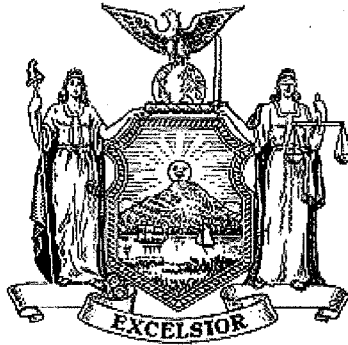
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, (2) receipt of all other necessary approvals, and (3) the receipt of adequate funding for such assistance from the State of New York; and be 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.

\* \* \*

Guidelines For  
Financial Assistance

**Lake Ontario  
Small Business Recovery  
Fund**



**State of New York**  
Andrew M. Cuomo, Governor

**Empire State Development**

Guidelines for the  
Lake Ontario Small Business Recovery Fund  
Adopted May 2017

Program

The Lake Ontario Small Business Recovery Fund (the "Program") is a program administered by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD") to provide up to \$50,000 in financial assistance to eligible small businesses, not for profit organizations, farms, and homeowners associations and up to \$20,000 in financial assistance to eligible owners of multiple dwellings ("Eligible Entities") that sustained direct physical flood-related damage and other flood-related costs or losses resulting from the raised level of Lake Ontario, the St. Lawrence River, Seneca Lake, the Seneca River, the Oswego River, the Oneida River, Oneida Lake and Cross Lake ("Covered Waterway"). Small businesses that experience direct, physical flood-related damage may also receive up to \$50,000 in assistance for revenue loss; however in no instance shall assistance exceed \$50,000.

Program Assistance

Section 1 of the chapters of the Laws of 2017 allocates \$15 million to provide grants for flood-related repairs and restoration to structures, equipment and for other flood-related costs or losses which either have not or will not be compensated by any other federal, state or local recovery program or any third-party payors. Flood-related costs and losses must have occurred between January 1, 2017 and August 31, 2017 with respect to damage caused by a Covered Waterway. ESD shall give preference to applicants that demonstrate the greatest need, based on available flood damage data provided by applicable state and/or federal agencies.

Assistance shall be in an amount of up to \$20,000 for owners of multiple dwellings and up to \$50,000 for small businesses, farms, homeowners associations and not-for-profit corporations. Assistance will be calculated at fifty percent (50%) of the net eligible loss for direct physical flood-related damage. Small businesses who demonstrate a revenue loss of at least fifteen percent (15%) due to direct physical flood-related damage may also receive up to \$50,000 in assistance which will be calculated at fifty percent (50%) of the net eligible loss above 15%. While a small business must demonstrate direct physical flood-related damage resulting from the raised level of a Covered Waterway to be considered for assistance for revenue loss, it need not also apply for assistance for such physical costs. In order to be eligible for funding the Eligible Entity must have owned the impacted property at the time of the flooding.

Eligible Area

To be eligible for assistance under this program an Eligible Entity must have experienced direct physical flood-related damage as a result of flooding caused by the raised level of a covered waterway including Lake Ontario, the St. Lawrence River, Seneca Lake, the Seneca River, the Oswego River, the Oneida River, Oneida Lake and Cross Lake.

Eligible Entities

An "Eligible Entity" shall mean an Eligible Business, Eligible Not-for-Profit Organization, Eligible Farm, Eligible Multiple Dwelling, or Eligible Homeowners Association as described below.

- **Eligible Businesses and Eligible Not-For-Profit Organizations:** A business or a not-for-profit organization shall be eligible for Program funding if it meets the following criteria:
  - (i) it is a for profit business entity or a not-for-profit organization established under Sections 501(c), 501(e), 501(f), 501(k), 501(n) or 521(a) of the Federal Tax Code that is not involved in religious or political activities;
  - (ii) its operation is located within New York State, as of the Recovery Period;
  - (iii) it is resident in New York State, independently owned and operated, not dominant in its field and employs one hundred or less persons;
  - (iv) it is current on its tax obligations;
  - (v) it sustained direct physical flood-related damage between January 1, 2017 and August 31, 2017 resulting from the raised level of a Covered Waterway; and,
  - (vi) it is not a casino or other gambling establishment or an adult entertainment facility.

A businesses operated from a residence may be an Eligible Business however only direct physical flood-related damage to equipment, furniture, fixtures, supplies, inventory and chattel property located in the portion of the residence occupied and used exclusively for business purposes will be considered. Such business may also be eligible for assistance for revenue loss due to direct physical flood-related damage.

Such an eligible business and such an eligible not-for-profit organization is referred to in these guidelines, respectively as an "Eligible Business" or "Eligible Not-for-Profit Organization."

- **Eligible Farm**  
A farm shall be eligible for Program Assistance if it is or is part of, the land and on-farm buildings, equipment, manure processing and handling facilities, and practices, which contribute to the production, preparation and marketing of crops, livestock and livestock products as a commercial enterprise, including a "commercial horse boarding operation," a timber operation, "compost, mulch or other biomass crops" and "commercial equine operation," as such terms are defined in Section 301(11) of the New York Agriculture and Markets Law. Such farm operation may consist of one or more parcels of owned or rented land, which parcels may be contiguous or noncontiguous to each other, and it meets the following criteria:
  - (i) it is used for raising, cultivating, propagating, fattening, grazing, or any other farming or livestock operations (collectively "Farming Operations") and the land, improvements, structures, and buildings (excluding buildings used for residential purposes that are not Eligible Multiple Dwellings) are used or occupied to carry out such operations, including land set aside or retired under a federal supply management or soil conservation program;
  - (ii) it is located within New York State;
  - (iii) it is current on its tax obligations; and,



- (iv) it sustained direct physical flood-related damage between January 1, 2017 and August 31, 2017 resulting from the raised level of a Covered Waterway

Such an eligible farm is referred to in these guidelines as an "Eligible Farm."

- **Eligible Owners of Multiple Dwellings**

For purposes of this Program a "Multiple Dwelling" shall mean a dwelling that is not owner occupied or a second home, is operated as a business and is either rented, leased, let, or hired out for occupancy. A Multiple Dwelling shall also refer to an owner-occupied residence in which five or more families live independently of each other. A Multiple Dwelling shall not include a hospital, convent, monastery, asylum or public institution, or a fireproof building used wholly for commercial purposes except for not more than one janitor's apartment and not more than one penthouse occupied by not more than two families.

An Owner of Multiple Dwellings shall be eligible for funding under the Program if:

- (i) is the Multiple Dwelling is located in New York State;
- (ii) the Multiple Dwelling is current on its tax obligations; and,
- (iii) the Multiple Dwelling sustained direct physical flood-related damage between January 1, 2017 and August 31, 2017 resulting from the raised level of a Covered Waterway.

Such a Multiple Dwelling is referred to in these guidelines as an "Eligible Multiple Dwelling."

ESD may require owners of Multiple Dwellings to certify that no families are to be displaced by the repair or restoration of an Eligible Loss to a Multiple Dwelling or that there is a feasible method for the relocation of families and individuals displaced from the Multiple Dwelling into decent, safe and sanitary dwellings, which are or will be provided in the same area or in other areas not generally less desirable in regard to public utilities and public commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places or employment.

- **Eligible Homeowners Association**

For purposes of this Program a "Homeowners Association" shall mean an organization created for the purposes of developing and managing a group of homes, town homes and/or condominium units with the authority to enforce the covenants, conditions and restrictions as well as manage the common elements of the development. A homeowner association may be eligible for funding if:

- (i) it is located in New York State;
- (ii) it sustained direct physical flood-related damage between January 1, 2017 and August 31, 2017 resulting from the raised level of a Covered Waterway;
- (iii) is current on its tax obligations; and,

(iii) it commonly owns and is responsible for the maintenance of surrounding property and amenities such as lawns, green belt areas, recreational facilities and private roads.

Such a Homeowners Association is referred to in these guidelines as an "Eligible Homeowners Association."

### Eligible Loss

An Eligible Loss shall mean:

- **Losses Due to Physical Damage**  
Eligible Loss shall mean losses due to direct physical flood-related damage as a result of flooding caused by the raised level of any Covered Waterway that occurred between January 1, 2017 and August 31, 2017. Eligible losses include, but are not limited to physical damage to real property and other tangible assets. Assistance may be used for flood-related repairs or replacement to structures, equipment, furniture, fixtures, supplies, inventory, chattel property, feed, and orchard and vineyard root stock, but not the crops grown thereon. Eligible Losses include property and items used or created in the normal and customary course of operations.
- **Losses Due to Decline in Revenue**  
For Eligible Businesses, Eligible Loss shall also mean revenue loss due to direct physical flood-related damage resulting in closure or reduced business. Eligible Businesses must demonstrate a revenue loss of at least fifteen percent (15%) as compared to the same period in the prior year. Eligible Businesses do not have to seek reimbursement for losses due to physical damage to be eligible for assistance for decline in revenue; however, Eligible Businesses must have incurred direct physical flood-related damage from a Covered Waterway to qualify. Evidence of flooding and any associated revenue loss is required. ESD officials may verify revenue loss with tax records from the New York State Department of Tax and Finance. Payment of employee wages, benefits and tax arrearages shall not constitute items of loss under this program.

### Reimbursed Loss

Reimbursed Loss shall mean a loss that has been or will be reimbursed by grants or other assistance received from the local, state or federal governments, and/or third-party payors received by the Eligible Entity or for its benefit. A loan that an Eligible Entity obtained and used to pay the cost of replacement or repair of a loss is not considered a Reimbursed Loss.

### Application

All applications must include:

- (i) an original completed and signed application form;
- (ii) a copy of state and federal tax return filed for 2016;;
- (iii) photocopy of the lease or deed for the premises where the entity is located
- (iv) Certificate/letter of incorporation and, if a Homeowner Association, a copy of the by-laws;

- (v) documentation from insurance company that physical damage or economic loss to the Eligible Entity is not covered by existing policy or policies, if applicable. (Note: Eligible Entities that have coverage that is not sufficient to address all damages to the property may still be eligible for assistance.);
- (vi) documentation of compensation received or expected to be received from any other grant or other assistance from local, state, or federal governments, third party private assistance, or insurance carrier;
- (vii) evidence of direct physical flood-related damage including, but not limited to, photographs of damaged real property and other tangible assets;
- (viii) completed and signed Wire Transfer Information form; and,
- (ix) an original completed Internal Revenue Service (IRS) Form W-9 (<http://www.irs.gov/pub/irs-pdf/fw9.pdf>)

In addition to (i) through (ix) above, applications for physical flood-related damage must also include the following:

- (x) documentation verifying physical loss to real property and/or tangible assets from an insurance carrier, the Small Business Administration or a New York State licensed insurance adjuster;
- (xi) copies of all federal, state and/or local permits for the repair/replacement to physical structures, if applicable; and,
- (xii) documentation of repairs and/or replacement of structures and tangible assets including, but not limited to, copies of invoices and proof of payment including associated cancelled checks, bank statements and/or credit card receipts. Payments marked cash that cannot be verified will not be reimbursed  
 \*\*Grants may be conditionally approved based on the information above but funds will not be disbursed until the information in (iv) is received by ESD.

In addition to (i) through (ix) above, applications for revenue loss must also include the following:

- (xiii) a copy of signed ST-100 (New York State Quarterly Sales and Use Tax Return) as filed with the NYS Department of Tax and Finance for Quarters 1 and 2 (March 1 – August 31) for the 2016 tax year; and,
- (xiv) a copy of signed ST-100 (New York State Quarterly Sales and Use Tax Return) as filed with the NYS Department of Tax and Finance for Quarters 1 and 2 (March 1 – August 31) for the 2017 tax year; \*\*  
 \*\*Grants may be conditionally approved based on the information above but funds will not be disbursed until the information in (i) and (ii) is received by ESD.

Additional documentation may be requested as ESD deems necessary. Entities that do not file ST-100 tax documents should contact ESD for alternative verification of revenue loss. Businesses that cannot document revenue loss will not be eligible for assistance.

### Application Submissions

Applications will be accepted continuously through December 31, 2017. A complete application package must be mailed to:

Empire State Development  
Attn: Lake Ontario Small Business Recovery Fund  
625 Broadway  
Albany, NY 12245

All applications must be postmarked by December 31, 2017. Applications postmarked after such date may be rejected by ESD. Based on interest in the program and the availability of program funds, the deadline for submission of applications may be extended by ESD at its discretion.

### Application Review

Applications will be reviewed on a first come, first served basis until funding is exhausted. Applications will be accepted until December 31, 2017. ESD may give preference to Eligible Entities that demonstrate the greatest need, based on available flood damage data provided by applicable agencies. All payments will be made by electronic transfer. In accordance with IRS regulations all Program Assistance disbursed will be reported by ESD to the IRS and ESD shall mail a Form 1099 to the Program Assistance recipient, at the address provided in the application.

### Method of Disbursement

Disbursement of funding for flood-related repairs or revenue loss will be in one payment after sufficient documentation is received and verified by ESD.

### Program Assistance Recapture

ESD may require the Eligible Entity to repay any Program Assistance received under this program in the following events:

- (i) if its application, including any information provided therewith or thereafter, contains any material misrepresentations or is incomplete;
- (ii) if the Program Assistance was awarded or disbursed in error and the Eligible Entity is not entitled to assistance under these Guidelines; or
- (iii) if supporting documentation for actual Eligible Loss incurred and Reimbursed Loss is not true and/or complete.

In the event the Eligible Entity receives insurance payments and/or additional grants or assistance for an item of Eligible Loss that has been reimbursed with Program Assistance, the Eligible Entity shall immediately repay to ESD the Program Assistance proceeds corresponding to such item.

In the event of any fraudulent misrepresentations by the Eligible Entity, in addition to the recapture of Program Assistance, ESD may pursue other legal remedies and refer the matter to the appropriate governmental authorities for investigation and prosecution.

### Audit and Control

ESD may conduct site visits and audit applications on a random or specified basis for a period extending to three years after the final disbursement of the Program Assistance to the Eligible Entity. ESD reserves the right to contact insurance companies and other federal, state and local governmental agencies to confirm information included, or that should have been included, in the applications.

### Disclosure of Information

Each Eligible Entity must agree to allow:

- (i) the Department of Taxation and Finance to share its tax information with ESD. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;
- (ii) the Department of Labor to share its tax, employer or other information with ESD relevant to flood recovery funding. However, any tax information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;
- (iii) any federal, state, local governmental agency or authority that has or is providing flood recovery funding to share relevant information with ESD. Any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law; and
- (iv) ESD and its agents access to any and all books and records ESD may require to monitor compliance.

Except as required by applicable law or regulations, ESD will endeavor to maintain the confidentiality of tax and rent information submitted as part of the application. Notwithstanding the foregoing, such information may be made available to ESD staff and designated individuals that are processing the application and to federal, state or local officials and to auditors evaluating the Program and others as ESD may deem to be required in accordance with applicable law and regulations, including judicial orders and subpoenas.

### Availability of Funds

The disbursement of any program assistance is explicitly subject to the approval of ESD and the receipt by ESD of a sufficient amount of Program funds from the State of New York acting by and through the New York State Division of the Budget.

### Amendments to Guidelines

ESD may amend these guidelines from time to time.

### Additional Information

Eligible Entity can access the application form and instructions, these Guidelines, any amendments to these Guidelines and additional information about the Program at the ESD web site at [www.esd.ny.gov](http://www.esd.ny.gov). Information can also be obtained by calling 518/292-5100.

**Item I. E.**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Statewide – New York State Industrial Hemp Processing Grant Fund Program (Capital Grants)

**REQUEST FOR:** Adoption of Guidelines for the New York State Industrial Hemp Processing Grant Fund Program; Authorization to Take Related Actions

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**I. Program Summary**

**Grantees:** New York State Businesses

**ESD\* Investment:** Up to a Program total of \$5 million to be used for purchase of machinery and equipment and/or improvement of physical structures and other capital costs used for industrial hemp processing. Individual grants shall not exceed 50% of the total project cost and will be a minimum of \$50,000 and a maximum of \$500,000.

**Locations:** Throughout New York State

**Regional Council:** All Regional Councils have been made aware of this item.

**Eligible Costs Date:** Upon application approval.

**Anticipated Appropriation Source:** New York Works Economic Development Fund (\$5 million)

**ESD Project No.:** # AC215 – 2017 New York State Industrial Hemp Processing Grant Fund

**Project Team:**

Project Management	Christine Costopoulos/Brendan Healey
Legal	Maria Cassidy
Affirmative Action	Jolyon Handler
Environmental	Soo Kang

## II. Program Description

### A. Background

New York State has allocated \$5 million for the New York State Industrial Hemp Processing Grant Fund Program (the "Program"). Administered by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD") in consultation with the Department of Agriculture and Markets ("Ag & Markets"), the Program's purpose is to provide grants for machinery, equipment and improvement of physical structures required to process industrial hemp for commercialization in New York.

### B. Grant Description

Grants may provide a minimum of \$50,000 and a maximum of \$500,000 for up to 50% of total project costs supporting capital investments. The remaining 50% must be matched by the recipient. For any award to be made, the total project cost must be at least twice the grant award request. Grant reimbursement is made upon project completion and submission of required supporting documentation.

The Program requires that the industrial hemp processing facility be wholly located within New York State and that applicants be New York State residents of at least 18 years of age. Eligible applicants may receive grants ranging from \$50,000 to \$500,000 for up to 50% of project costs. Eligible project costs include the purchase of machinery, equipment, and/or improvement of physical structures used exclusively for industrial hemp processing.

## III. Program Guidelines

Staff has prepared guidelines for adoption by the ESD Directors ("Directors") for the implementation and administration of the Program. The guidelines set forth criteria for determining eligibility for applicants. The guidelines also set forth the various program and submission requirements and describe methods of grant disbursements as well as audit processes. A copy of the guidelines for the Program is attached hereto. It is expected that the guidelines may be amended from time to time to address specific Program needs.

## IV. Statutory Basis – New York Works Economic Development Fund

The funding was authorized in the 2017-2018 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 requested adoption of Program guidelines constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with this authorization.



VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the program 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 authorize the adoption of Guidelines for the New York State Industrial Hemp Processing Grant Fund Program in the form annexed to these materials with such modifications and additions as the Corporation's CEO or General Counsel shall deem necessary or appropriate for the implementation of the Program and to authorize the taking of all related actions necessary or appropriate to effectuate the foregoing.

X. Additional Submissions to Directors

Resolutions  
Guidelines

July 27, 2017

Statewide – Adoption of Guidelines for the New York State Industrial Hemp Processing Grant Fund Program; Authorization to Take Related Actions

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RESOLVED, that the Corporation hereby authorizes the 2017 New York State Industrial Hemp Processing Grant Fund (the "Program"), described in the materials presented in this meeting (the "Materials"), a copy of which has been presented to this meeting and is ordered filed with the records of the Corporation; and be it further

RESOLVED, that the Corporation hereby adopts the guidelines for the Program, a copy of which has been presented to this meeting and is included in the Materials, and authorizes the President and Chief Executive Officer or the General Counsel of the Corporation, or his or her designee(s), to amend, from time to time, such guidelines (such guidelines, as they may from time to time be amended, the "Guidelines") as he or she deems necessary or appropriate to effectuate the purposes of the Program; 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.

\* \* \*

# 2017 New York State

## Industrial Hemp Processing Grant Fund Guidelines

(as of July 20, 2017)

### **Program Summary**

New York State has allocated \$5 million for the New York State Industrial Hemp Processing Grant Fund (the "Program"). Administered by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD") in consultation with the Department of Agriculture and Markets ("Ag & Markets"), the Program's purpose is to provide grants for machinery and equipment required to process industrial hemp for commercialization in New York.

Grants may provide a minimum of \$50,000 and a maximum of \$500,000 for up to 50% of total project costs supporting capital investments. The remaining 50% must be matched by the recipient. Eligible sources of recipient match are limited to cash, lines of credit and loans. Other grant funds may not be used as matching funds. For any award to be made, the total project cost must be at least twice the grant award request. Grant reimbursement is made upon project completion and submission of required supporting documentation.

### **1. Eligibility**

- The facility must be located wholly in New York State which processes industrial hemp for commercialization;
- All owners must be New York State Residents of at least 18 years of age.

#### **A. Eligible Applicants**

- Business Corporations
- Sole Proprietorships
- Limited Liability Companies
- Partnerships
- Subchapter S Corporations

#### **B. Ineligible Applicants**

- Not-for-profit organizations;
- Those delinquent on federal, state and/or local tax obligations;
- Those who have during the past 5 years:
  - Been convicted of a felony or any crime related to truthfulness or business conduct;
  - Received a violation of State Labor Law deemed willful;
  - Been assessed a penalty or entered into a consent order with the New York State Department of Environmental Conservation; or
  - Been in violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or operating practices; or
- Those in bankruptcy.

### **C. Eligible Match**

- Cash
- Lines of credit
- Loans

### **D. Project Costs**

Eligible project costs include the capital costs associated with the commercialization of industrial hemp including the purchase of machinery, equipment, supplies, and/or improvement of physical structures, except as may be otherwise provided herein. See, e.g., sections 2(B)(criteria for projects located on leased land), 3(A)(procurement), and 3(D)(methods of disbursement) below.

## **2. Application Requirements and Review**

### **A. Required Documents**

Only complete applications will be considered for review. A complete application includes, but is not limited to, the following:

- Application with original signature and all attachments;
- Business plan including a complete project budget and project work plan;
- Copy of all owners NYS issued identification (i.e. driver's license or non-driver identification card);
- Copy of the applicant's complete federal and state tax returns for the three most recent years and a copy of all owners complete federal and state personal tax returns for the three most recent years. (Except for the first page of each filing, please redact SSN or EIN numbers from documents);
- Assuming funding is awarded, income projections for the next three years including balance statement, income statement, and cash flow statement;
- Certificate/letter of incorporation/DBA (unless sole proprietor using own name);
- Documentation of matching funds including loan commitment letters and/or bank statements;
- Documentation of project costs including detailed scope of services with one quote attached for all items under \$1,000 and three quotes attached for items over \$1,000;
- Photocopy of the lease(s) or deed(s) for all properties that comprise applicant's location;
- If property where project is to be located is leased a letter of support for the project from landowner;
- Two letters of support for the project commenting on experience and capacity of applicant and feasibility and readiness of project to move forward;
- Tax map(s) indicating location of all properties with project location clearly identified;
- Plans, sketches, photos and other visual material that provide context for understanding your hemp processing facility and justifying the proposed project;
- For improvement of physical structures: design plans, layout of uses, and photos of project site;
- If obtained, a copy of all permits, certificates or approvals for the project. If not yet obtained, provide status. If improvement of a physical structure will not need a building permit attach a letter from the local building department to that effect.

## **B. Criteria for Projects Located on Leased Land**

- All equipment, machinery and construction project elements must be portable. Projects involving improvements not easily removed (i.e. installation of permanent equipment, construction of permanent real property structures, non-movable fencing, or utility improvements) are not eligible;
- Leases must include the following: description of land, buildings and equipment that are included; the rights of each party; and, payment terms and length of lease.

## **C. Application Review**

All eligible applications will be reviewed based on, but not limited to, the following criteria:

- Business Plan and supporting material clearly describes how the project will increase industrial hemp processing.
- Applicant Experience and Financial Soundness
  - Applicant demonstrates financial aptitude and stability;
  - Applicant has the expertise, experience, legal authority and the capacity to successfully manage and implement the project and achieve anticipated project results.
- Project Implementation
  - Products, markets, and partners (if any), are clearly identified;
  - Work plan describes steps needed to implement project and anticipated timeline;
  - Project readiness is documented
- Project Budget and Match
  - Costs are directly related to achieving program goals;
  - Costs are eligible, justified and cost effective;
  - Budget narrative and budget tables clearly detail costs, and required vendor quotes provide adequate detail as to project components and work to be completed;
  - The source and amount of the 50% recipient match is documented and funding available to complete the project prior to grant disbursement is described.
- Thoroughness of Application
  - Application is detailed in its description of the project, its owners, the project, budget, and goals, and does not leave questions in the mind of reviewer.

## **D. Application Approval**

Applications will be reviewed on a first-come, first-served basis. Factors used in determining successful grant proposals may include the geographic distribution of projects and the level of funding available. In some cases projects may only be funded in part.

## **3. Contracting Requirements**

All applicants will be notified in writing whether or not their project was selected for funding. If approved, the grantee will be required to enter into a contract with ESD. The following are some of the required conditions within the contract:

**A. Procurement**

The grantee must substantiate that equipment and/or construction services are procured through a process that is fair and open to competition, guarded against favoritism, and protects the interests of New York State and taxpayers. Construction contractors must possess all qualifications, licenses and permits to engage in the required business as may be required within the jurisdiction where the work specified is to be performed. Costs incurred prior to award will not be considered eligible and will not be reimbursed by ESD.

The grant cannot be used for payments to any firm, company, association, corporation or organization in which a member of the grantee's Board of Directors or other governing body, or any officer or employee of the grantee, or a member of the immediate family of any member of the grantee's Board of Directors or other governing body, officer, or employee of the grantee has any ownership, control or financial interest.

**B. Non-Discrimination Policy**

ESD's non-discrimination policy will apply. The grantee shall not unlawfully discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status.

**C. Minority and Women Owned Business Enterprise/Contractor and Supplier Diversity**

ESD is required to comply with and implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 (MWBE Regulations) for all State contracts as defined therein, with a value (1) in excess of \$25,000 for labor, services, equipment, materials, or any combination of the foregoing or (2) in excess of \$100,000 for real property renovations and construction. In accordance with the requirements of Article 15-A of the New York State Executive Law, all projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity ("OCSD"), which will, where applicable, set minority and women-owned business enterprise ("MWBE") participation goals. Such goals shall typically be included in the award letter or other contemporaneous communication from OCSD with respect to these requirements.

Please note that ESD's agency-wide MWBE utilization goal is 30%. After application approval the project may be assigned an individual contract-specific goal, which may be higher or lower than 30%. In instances where goals are set, grantee will be required to use good faith efforts to achieve the prescribed MWBE goals assigned to the project and must maintain such records and take such actions necessary to demonstrate compliance with Article 15-A of the New York State Executive Law.

**D. Methods of Disbursement**

Grants will be disbursed on a reimbursement basis upon completion of the project and submission of supporting documentation.

Supporting documentation includes the following:

- Project Summary Report;
- Structural projects must meet all applicable local and state regulations, codes, and/ or permit requirements. In these cases, a Certificate of Occupancy or Certificate of Compliance

shall serve as documentation of compliance. In the event a structure is not subject to local and state regulations, codes, and/ or permit requirements, the applicant must document that the structure has been deemed exempt (e.g. letter from the applicable state or municipal entity indicating that the structural project is exempt);

- Invoices and associated paid receipts including, but not limited to, cleared checks, register receipts and credit card receipts for the total project cost. Cash payments with associated receipts will not be accepted;
- Photo-documentation of project elements; and,
- Other supporting documentation as may be necessary in order to verify the successful completion of the project and payment of eligible costs.

#### **E. Tax Responsibilities**

In accordance with IRS regulations all grants disbursed will be reported by ESD to the IRS and ESD shall mail a Form 1099 to the grant recipient, at the address provided in the application.

#### **F. Grant Recapture**

ESD may require repayment of any assistance received under this program in the following events:

- If an application, including any information provided therewith or thereafter, contains any material misrepresentations or is incomplete;
- If the assistance was awarded or disbursed in error and the applicant is not entitled to assistance under these guidelines;
- If the applicant received a payment and did not complete the project as approved;
- If supporting documentation is not true and complete; and,
- If the applicant leaves the State, sells any assets paid for with funds from this program, or otherwise ceases industrial hemp processing within five years of final disbursement of funds. The recapture amount is based on the time that has lapsed between when the grant funds were disbursed and when any of the above circumstances occurred. The recapture amount shall be calculated at:
  - 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;
  - 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

In the event of any fraudulent misrepresentations by the applicant, in addition to the recapture of assistance, ESD may pursue other legal remedies and refer the matter to the appropriate governmental authorities for investigation and prosecution.

### **G. Audit and Control**

Grantees must maintain complete records regarding the project and the grant award for the period specified in the contract with ESD. ESD may conduct site visits and audit applications on a random or specified basis throughout this period.

ESD reserves the right to contact third parties, including federal, state and local governmental agencies, to confirm information included, or that should have been included, in the applications.

### **H. Disclosure of Information**

Each applicant must agree to allow:

- the Department of Taxation and Finance to share its tax information with ESD. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;
- the Department of Labor to share its tax, employer or other information with ESD relevant to funding. However, information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law; and
- ESD and their agents access to any and all books and records ESD may require to monitor compliance.

Except as required by applicable law or regulations, ESD will endeavor to maintain the confidentiality of tax and rent information submitted as part of the application. Notwithstanding the foregoing, such information may be made available to ESD staff and designated individuals that are processing the application and to federal, state or local officials and to auditors evaluating the program and others as ESD may deem to be required in accordance with applicable law and regulations, including judicial orders and subpoenas.

### **I. Availability of Funds**

The disbursement of any grant is explicitly subject to all required approvals and the receipt by ESD of a sufficient amount of funds from the State of New York acting by and through the New York State Division of the Budget.

## **4. Program Amendments**

ESD may amend these guidelines from time to time. It is incumbent on the applicant to check the website for program amendments and clarifications to these guidelines prior to submitting an application.



**Item II. A.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Watkins Glen (Southern Tier Region – Schuyler County) – Watkins Brewery Holdings 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; Waiver of Labor Peace Agreement

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General Project Plan

I. Project Summary

Grantee: Watkins Brewery Holdings, LLC (“WBH” or the “Company”)

ESD\* Investment: A grant of up to \$800,000 to be used for a portion of the cost of redeveloping a 15,700-square-foot facility into a mixed-use complex, including a long-term stay hotel

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

Project Location: 1 North Franklin Street, Watkins Glen, Schuyler County

Proposed Project: Watkins Brewery Holdings will redevelop and renovate the current 15,700-square-foot “freezer/brewery” building, a 110 year-old structure located along Franklin Street into a mixed-use facility that will contain seven townhome units that will be rented as long term hotel stay rentals (weekly vacation rentals).

Project Type: New construction

Regional Council: The project is consistent with the Southern Tier Regional Economic Development Council’s Plan to strengthen economic development in the Southern Tier.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Soft Costs	\$148,100
Construction/Renovation	2,176,520
Furniture/Fixtures/Equipment	110,000
Site Preparation	105,880
Architect/Engineering	125,000
Property Acquisition	<u>325,000</u>

Total Project Costs \$2,990,500

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$800,000	27%
Corning Enterprise Grant	\$200,000	7%
Investor Equity	\$800,000	27%
Loans	<u>\$1,190,500</u>	<u>39%</u>

Total Project Financing \$2,990,500 100%

III. Project Description

A. Company

Industry: Real Estate Developer

Company History: Watkins Brewery Holdings, LLC was formed in 2012 specifically to develop the 15,700-square-foot "freezer/brewery" building located along Franklin Street in the Village of Watkins Glen. WBH purchased the property and held it while planning the renovation project. WBH is serving as the construction manager for the project and will manage the rental properties once the project is complete.

Ownership: Watkins Brewery Holdings, LLC is a privately-owned company.

Size: All facilities are located in Painted Post, NY.

ESD Involvement: WBH submitted a proposal under Round 2 of the Consolidated Funding Application ("CFA") to assist with the redevelopment of the "freezer/brewery building on Seneca Lake. There are very limited rental opportunities on the south portion of Seneca Lake, none within walking distance of the Watkins Glen Village. Proximity to the downtown area is a very attractive feature that currently does not exist in the area. The

dilapidated nature of the “freezer/brewery” building inhibits further investment in the area of Watkins Glen Village and Seneca Lake. Without ESD assistance the project would not be economically viable due to construction costs, the seasonal nature of rentals, and the depressed housing values in the area. As a result of the Governor’s Regional Economic Development Council Initiative, the Company was awarded \$800,000 through the CFA to assist with this project.

Competition: N/A

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

B. The Project

Completion: January 2017

Activity: The project involved the renovation of the 110 year-old “freezer/brewery” building on Franklin Street in Watkins Glen Village. The Company purchased the property and constructed seven townhome units that will be rented as long-term hotel stay rentals (weekly vacation rentals). The units are two and three bedrooms with full baths, kitchens and living rooms. Living areas range from 1,400 to 2,000 square feet. Four of the seven units have garages. Each unit has its own slip at the marina, thereby connecting the units directly to Seneca Lake.

Results: The project renovates an eyesore on Seneca Lake which is fronted on North Franklin in Watkins Glen, and has been in a dilapidated state for several years. The project takes advantage of existing infrastructure and encourages living in the existing urban setting and provides support to existing businesses. Additionally, it provides lake access, which is a Schuyler County and Watkins Glen Village initiative.

Economic Growth

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

Grantee Contact: Dan Bower, Managing Member  
119 Grace Boulevard  
Painted Post, NY 14870  
Phone: (607) 358-1016

ESD Project No.: Y412

Project Team:	Origination	Joe Roman
	Project Management	Anna Franzini
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the 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 a lump sum upon documentation of construction and renovation project costs totaling \$2,990,500, upon completion of the project substantially as described in these materials, 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 reimbursed by ESD must be incurred on or after August 27, 2015 to be considered eligible project costs. All disbursements must be requested by April 1, 2018.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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.

D. Labor Peace

Public Authorities Law Section 2879-b prohibits public authorities from providing financing for any project that includes, as one of the principal functions, a hotel with more than fifteen employees unless a labor peace agreement ("LPA") is entered into with a labor organization representing hotel or convention center employees in the State, for a period of at least five years. An LPA is an agreement between the project developer (or its contractors) and a labor organization prohibiting the labor organization and its members from engaging in labor activities that disrupt the hotel's operations.

Section 2879-b does not apply to this project because it does not meet the employment threshold.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The Village of Watkins Glen 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 would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the building's eligibility for inclusion in the New York State and National Registers of Historic Places, ESD and the project sponsor have consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. A Letter of Resolution ("LOR") has been executed to satisfy the requirements of the consultation and review process. ESD has confirmed that all conditions stipulated in the LOR have been met.

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 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**

**Project Photographs**

July 27, 2017

Regional Council Award – Watkins Glen (Southern Tier Region – Schuyler County) –  
Watkins Brewery Holdings 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 Watkins Brewery Holdings Capital -- Regional Council Capital Fund (Capital Grant) Capital Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Watkins Brewery Holdings, 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 (3) receipt of funds; 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 27, 2017

Regional Council Award – Watkins Glen (Southern Tier Region – Schuyler County) –  
Watkins Brewery Holdings 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 Watkins Brewery Holdings Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

July 20, 2017

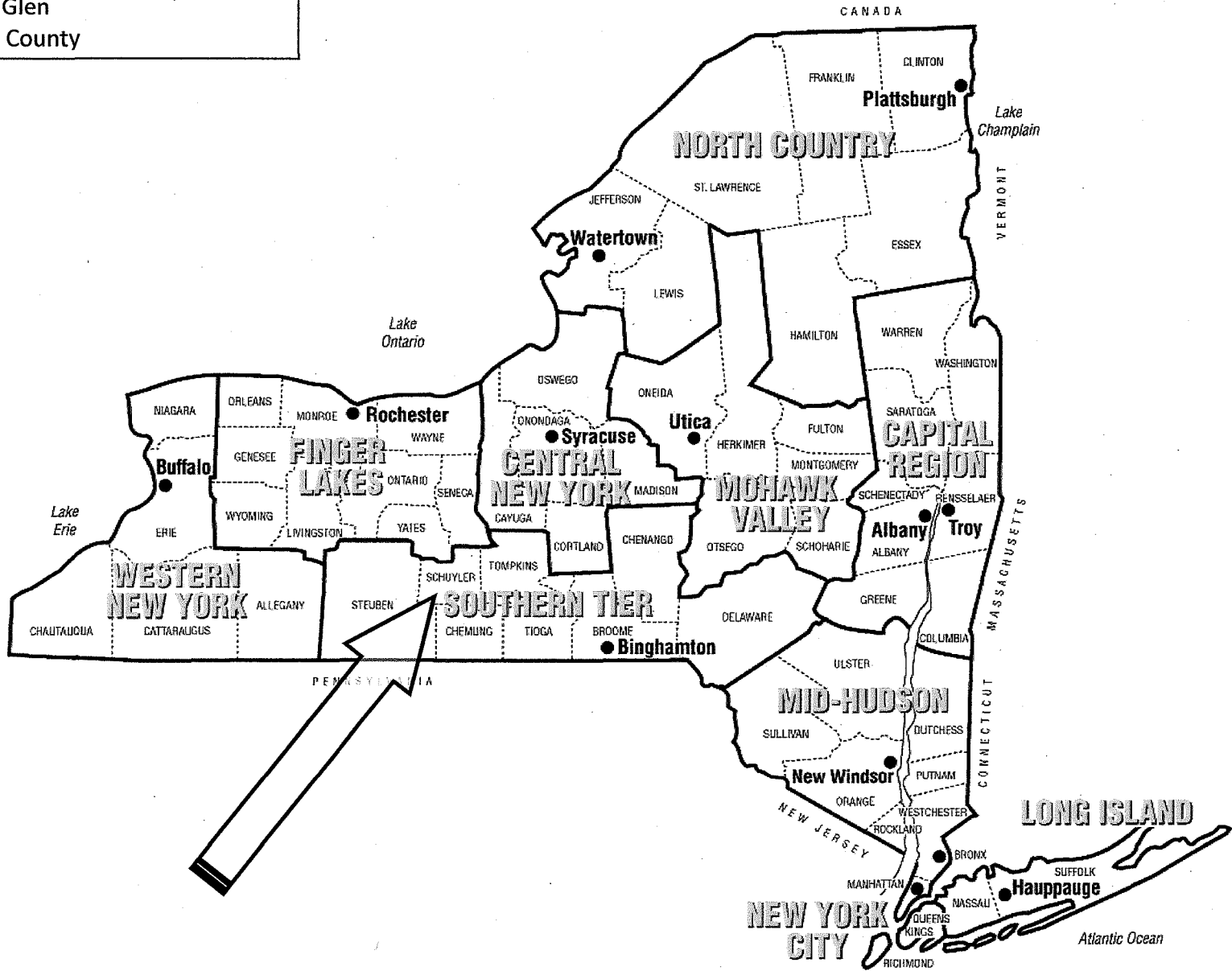
Regional Council Award – Watkins Glen (Southern Tier Region – Schuyler County) –  
Watkins Brewery Holdings Capital – Regional Council Capital Fund - (Capital Grant) –  
Waiver of Labor Peace Agreement

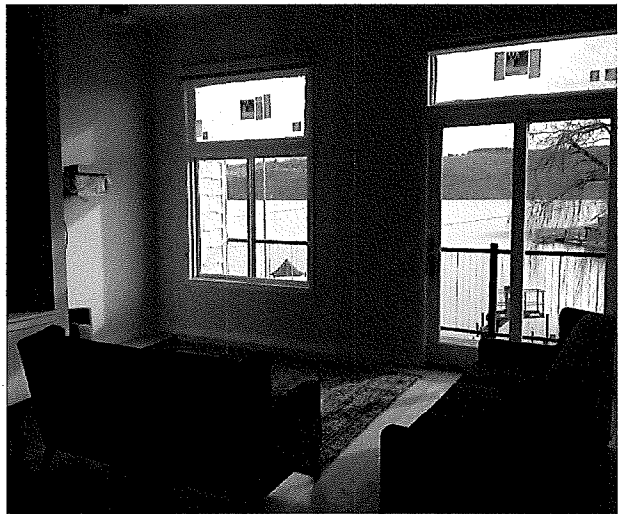
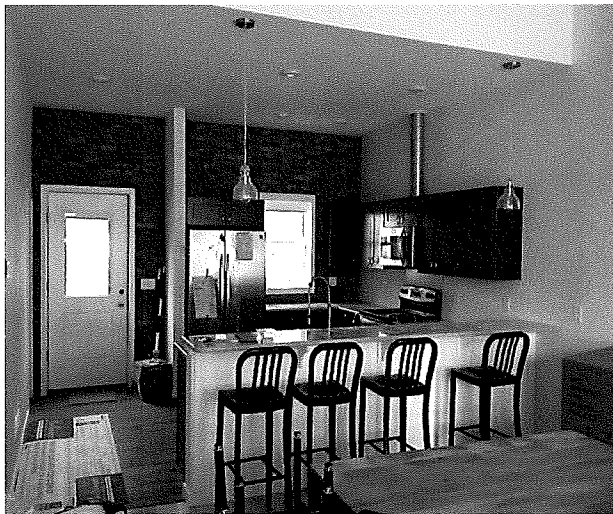
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RESOLVED, that on the basis of the materials presented at this meeting, the Corporation hereby finds, pursuant to New York State Public Authorities Law Section 2879-b, that the project would not be able to go forward if a labor peace agreement were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

\* \* \*

**Watkins Brewery Holdings Capital**  
Watkins Glen  
Schuyler County





# **Item II. B.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Binghamton (Southern Tier Region – Broome County) – FlexTech Alliance Capital – Upstate Revitalization Initiative (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 Research Foundation for the State University of New York on behalf of the State University of New York at Binghamton University (“SUNY RF”)

Beneficiary: State University of New York at Binghamton (“Binghamton” or the “University”)

ESD\* Investment: A grant of up to \$20,000,000 to be used for a portion of the cost of construction, renovations 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: 4400 Vestal Parkway, Broome County

Proposed Project: Construction, renovation equipment and operating costs to support six research projects

Project Type: Flexible Hybrid Electronics Manufacturing

Regional Council: The Southern Tier Regional Economic Development Council (“STREDC”) has been made aware of this item. The project is consistent with

STREDC's plan to strengthen the region as a leader in the development of technology.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$7,000,000
Equipment	7,000,000
Operating Expenses	<u>31,000,000</u>
<b>Total Project Costs</b>	<b><u>\$45,000,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$20,000,000	44.5%
Federal Funding	\$20,000,000	44.5%
Grantee Equity	<u>\$5,000,000</u>	<u>11%</u>
<b>Total Project Financing</b>	<b><u>\$45,000,000</u></b>	<b><u>100%</u></b>

III. Project Description

A. Grantee

**Industry:** The Research Foundation for the State University of New York is the largest comprehensive university-connected research foundation in the country. It exists to serve the State University of New York ("SUNY") by providing essential administrative services that enable SUNY faculty to focus their efforts on the education of students and the performance of life-changing research across a wide range of disciplines including medicine, engineering, physical sciences, energy, computer science, and social sciences.

**Company History:** The SUNY RF was chartered in 1951 by the New York State Board of Regents as a not-for-profit education corporation, governed by its own independent and self-perpetuating board of directors. The SUNY RF works with the academic and business leadership of SUNY campuses to support research and discovery through administration of sponsored projects and technology transfer and management of intellectual property for public benefit and economic growth. The SUNY RF provides SUNY with a central infrastructure of people, technology and processes that enable faculty: to write and submit grant proposals to agencies, foundations and companies; establish contracts and manage funding that is awarded to run campus-based research projects; protect and commercialize intellectual property created within those projects; and promote transparency and accountability throughout the process. In the



2016 fiscal year, across SUNY's 30 state-operated campuses, the SUNY RF managed \$920.3 million in research expenditures related to 7,102 projects that produced more than 300 new inventions.

**Ownership:** The SUNY RF is a private, not-for-profit education corporation.

**ESD Involvement:** In April 2016, New York State and Governor Andrew M. Cuomo announced \$20 million to support Binghamton in its leading role as home to the New York node in the new NextFlex Flexible Hybrid Electronics Manufacturing Innovation Institute ("Institute"). The Institute is part of the National Network for Manufacturing Innovation program, which is an initiative to support advanced manufacturing in the U.S. The state's \$20 million commitment, which is the first allocation from the Southern Tier's \$500 million Upstate Revitalization Initiative award and matches a federal National Manufacturing Innovation Institute award from the U.S. Department of Defense, will support the retrofitting of space in the former IBM facility in Endicott, as well as specific projects and new businesses that will be utilizing the space. The first year of the program is expected to create up to 200 academic and private sector jobs, with the potential for the creation of up to 1,000 new jobs over the five years of the Flex Tech Alliance Program.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Economic Development Purposes Fund	X727	\$100,000	February 16, 2012	December 31, 2016	Funds to promote STEM education and training to under-represented students through events and partnering.
Regional Council Capital Fund	Y370	\$250,000	October 15, 2015	December 31, 2021	Funds to assist with the purchase of machinery, equipment and renovations to expand the School of Engineering

**B. Beneficiary**

**Industry:** Educational Institution

**Beneficiary History:** Founded in 1946 in Endicott, New York, as Triple Cities College to serve the needs of local veterans returning from World War II, Binghamton, a campus of the State University of New York, is a public comprehensive college which has a total of 16,896 students. The University ranks 87<sup>th</sup> in the 2017 edition of Best Colleges and National Universities.

**Ownership:** The University is a part of State University of New York, a public comprehensive college.

**Size:** The University's campus spans over 930 acres.

**Competition:** N/A

**C. The Project**

**Completion:** March 2017

**Activity:** Binghamton will work with New York State companies including Corning, i3 Electronics, General Electric, BAE Systems and Lockheed-Martin to develop, manufacture and then transfer advancements in the field of flexible electronics from the lab to the commercial markets. Some of the successes so far include electronic packaging and reliability, thermal interface materials, thin chip-on-flex electronic systems technology, power conversion electronics packaging, biomedical and diagnostic electronics, human performance monitors, interposers and functional glass surfaces such as touch sensitive surfaces, energy storage and conversion.

**Results:** Through the research projects and technology transfer efforts, there is an expectation of sustained job creation with the various industry partners.

**Economic Growth  
Investment**

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

**Grantee Contact:** The Research Foundation for SUNY at Binghamton University  
Lisa Gilroy, Assistant Vice President for Sponsored Programs  
Binghamton University  
PO Box 6000

Binghamton, New York 13904  
Phone: (607) 777-6136

ESD Project No.: AA878

Project Team:	Origination	Joseph Roman
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Angela Pitto
	Design & Construction	Marty Piecuch
	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 \$20,000,000 capital grant (\$200,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$20,000,000 will be disbursed to Grantee in arrears, no more frequently than monthly in proportion to ESD's share of funding as described in these materials, as evidenced by a certificate of occupancy, compliance with the Design & Construction requirements, assuming that all project approvals have been completed and funds are available. Payment will be made over five years in tranches no greater than \$4,000,000 in any one NYS fiscal year. 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, 2021. Expenditures incurred prior to Governor Cuomo's announcement of the Regional Council awards and Upstate Revitalization Initiative awards on December 10, 2015 are not eligible project costs and cannot be reimbursed by grant funds.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$20,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York.

In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis

The funding was authorized in the 2015-2016, 2016-2017, and 2017-2018 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

ESD staff will review the project budget, plans, and specifications, along with the other documents that ESD may require for scheduled payment projects. Submission of Payment Requisitions to ESD will be made according to disbursement terms outlined in the Grant Disbursement Agreement.

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 and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority-Owned and Women-Owned Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of the qualifying expenditures totaling \$7,000,000. The MWBE participation in relation to ESD funding shall be no less than \$2,100,000.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

July 27, 2017

Binghamton (Southern Tier Region – Broome County) – FlexTech Alliance Capital – Upstate Revitalization Initiative (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 FlexTech Alliance Capital – Upstate Revitalization Initiative (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Research Foundation for the State University of New York on behalf of the State University of New York at Binghamton University a grant for a total amount not to exceed Twenty Million Dollars (\$20,000,000) from the Upstate Revitalization Initiative, 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

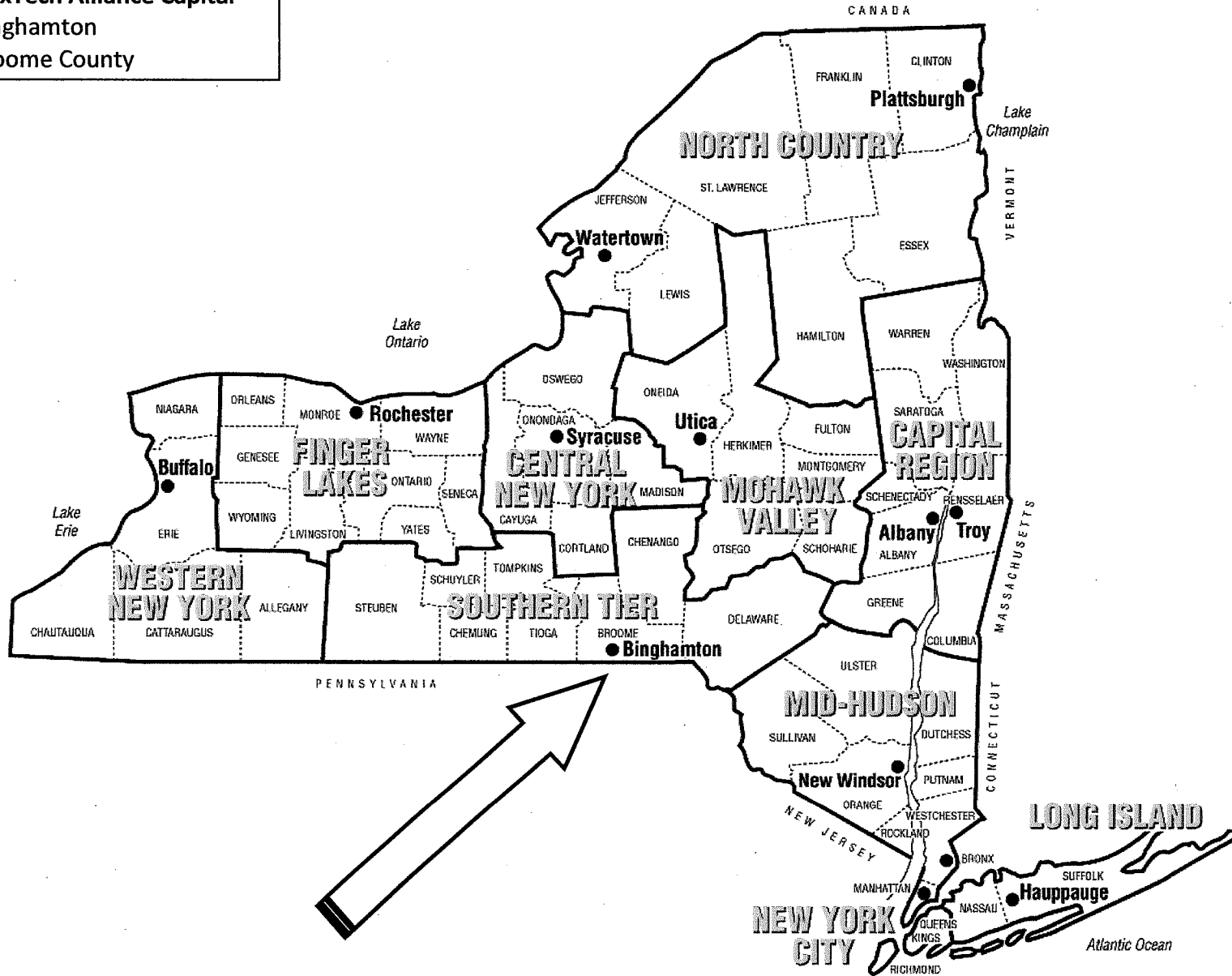
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary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

\* \* \*

**FlexTech Alliance Capital**

Binghamton

Broome County





**Item II. C.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Southern Tier Region - Cornell Industrial Hemp Working Capital - Empire State Economic Development Fund - Competitiveness Improvement Program (Working Capital Grant)

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

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I. Project Summary

Grantee: Cornell University ("Cornell" or the "University")

ESD\* Investment: A grant of up to \$900,000 to be used for the cost of the purchase of industrial hemp seed, the cost of contracting with farmers to plant, cultivate, and harvest the industrial hemp, and the cost of conducting a research study on the viability of industrial grade hemp as a marketable commodity in New York State

There is a companion grant of \$46,020 to the State University of New York College of Agriculture and Technology at Morrisville for a feasibility study for agricultural and industrial hemp production that is being presented to the CEO for consideration.

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

Project Location: Southern Tier Region (Project activity sites to include up to 1,700 acres of farmland to be identified in the Southern Tier as well as the surrounding regions)

Proposed Project: Acquire industrial hemp seed and contract with farmers to plant, cultivate, and harvest the industrial hemp in order to determine the viability of industrial grade hemp as a marketable commodity in New York State

Project Type: Research and Development - Agricultural/Industrial Hemp Production

Regional Council: The Southern Tier Regional Economic Development Council ("STREDC") has been made aware of this item. The project is consistent with the STREDC's Plan and complements the Region's comprehensive blueprint created under the Upstate Revitalization Initiative to invest in agriculture as one of the four key pillars of the Region's economy. The project will help expand the Region's agricultural economy through research and development in a tradable, export-based industry.

Dean of College of Agricultural and Life Sciences of Cornell University is a member of the 24-person Southern Tier Regional Economic Development Council. In conformance with the State's policy, this individual has recused herself on votes recommending this project.

Vice President of Human Resources of Cornell University is a member of the 24-person Southern Tier Regional Economic Development Council. In conformance with the State's policy, this individual has recused herself on votes recommending this project.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Personnel/Administration/Travel	\$42,908	
Technical Support	24,332	
Cooperative Extension Educators	15,472	
Seed and Farmer Participation Fees	680,000	
Indirect/Soft Costs	<u>\$137,288</u>	
<b>Total Project Costs</b>	<b><u>\$900,000</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$900,000</u>	<u>100%</u>
<b>Total Project Financing</b>	<b><u>\$900,000</u></b>	<b><u>100%</u></b>

III. Project Description

A. Organization

Industry: Education Institution/Research and Development/Agriculture

Organization

History: Cornell was founded in 1865 by Ezra Cornell and Andrew Dickson White.

In 1868, Morrill Hall was the first building constructed on the main Ithaca campus, which today includes 628 buildings on more than 2,000 acres. Cornell is the federal land-grant institution of New York State, a private endowed University, a member of the Ivy League/Ancient Eight, and a partner of the State University of New York. It has been described as the first truly American university because of its founders' revolutionary egalitarian and practical vision of higher education, and is dedicated to its land-grant mission of outreach and public service. Cornell has seven undergraduate units and four graduate and professional units in Ithaca, two medical graduate and professional units in New York City, and one in Doha, Qatar. The Cornell Tech campus in New York City is the latest addition.

- Ownership:** Cornell is a privately endowed research university and a partner of the State University of New York.
- Size:** Cornell has over 1,600 faculty members, over 8,000 staff and over 21,500 students with its primary campus located in Ithaca, New York.
- Market:** N/A
- ESD Involvement:** This project is designed to meet the continual need for agricultural innovation in New York State. New York State's agricultural industry annually contributes over \$37.5 billion to New York's economy with approximately 35,000 farmers, and over 60,000 employed in food processing. As the industrial hemp crop has only recently been legalized in the federal and state regulatory framework, farmers have minimal experience with growing, cultivating, or understanding the profitability of industrial hemp.
- New York is one of the top producing states for field crops such as forage and corn for dairy animals. This experience with similar cropping systems, the ability to utilize existing equipment, and the need to provide diverse streams of income for the existing dairy industry, make industrial hemp an ideal crop to explore to increase profitability and economic growth in rural communities. New York is poised to become a major producer of industrial hemp, providing healthy hempseed oil, environmentally sustainable packaging, naturally based cosmetics and fiber for textiles, insulation, and other uses.
- Cornell seeks to support research, development and outreach efforts in hemp production in order to minimize the risks faced by New York State farmers, provide them with specific, viable, solutions as well as improve access to the latest knowledge and innovations to the challenges of

agribusiness. The project will increase grower participation in hemp production which will stimulate and strengthen New York State's agricultural economy. To implement this transformative agribusiness initiative, in June 2017, ESD awarded \$900,000 to Cornell the costs associated with industrial hemp production best practices.

**Competition:** Other states in the U.S.

**Past ESD Support:** Funding for the past five years, totaling \$1,407,570 million, 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
Regional Council Capital Fund	Y364	\$350,000	August 20, 2015	March 2015	Capital – construct research-grade greenhouse
Regional Council Capital Fund	Y345	\$500,000	September 17, 2015	April 2015	Capital – Renovations at the Food Processing & Development Laboratory
Economic Development Purpose Fund	Y608	\$557,570	July 18, 2013	April 2017	Working Capital – Initiative to export agricultural and food products to China's emerging middle class.

**B. The Project**

**Completion:** December 2017

**Activity:** The University will acquire industrial hemp seed and contract with farmers to plant, cultivate, and harvest the industrial hemp. The project will include a study that will determine the viability of industrial grade hemp as a marketable commodity in New York State.

**Results:** Cornell will assess the cost of production and the economic potential of industrial grade hemp. The project will result in a study on the viability of industrial grade hemp as a marketable commodity in New York State based on agricultural trials on up to 1,700 acres. Upon completion of the project, Cornell will furnish a final report describing the impact and effectiveness of the project. Measurable results include the production of economic data from the first large scale farm field trials in New York State, an understanding of existing marketing channels for industrial hemp and an assessment of their profitability.

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

**Grantee Contact:** Programmatic Contact  
Elizabeth Estabrook, College Grant & Contract Officer  
Phone: (607) 255-2782

Contractual Contact  
Blair Ribeiro, Grant & Contract Officer  
Cornell University Office of Sponsored Programs  
373 Pine Tree Road  
Ithaca, NY 14850  
Phone: (607) 255-5014 (x-5-9854)

**ESD Project No.:** AC144

<b>Project Team:</b>	Origination	Jane Thelen
	Project Management	Sabina Mora
	Contractor & Supplier Diversity	Danah Alexander
	Environmental	Soo Kang

**C. 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 \$900,000 will be disbursed to the Grantee in three installments as follows:
  - a) Initial Disbursement of \$102,407 for the purchase of the industrial hemp seed and documentation verifying project expenditures;
  - b) Second Disbursement of \$577,593 for the planting, cultivation and harvesting of the

industrial hemp seed and documentation verifying project expenditures:

c) Third Disbursement of \$220,000 for the cost of research, analysis and reporting on the industrial hemp crop and indirect / overhead expenses including the report being supplied to ESD and Ag & Markets and documentation verifying project expenditures.

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 June 16, 2017, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$900,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### IV. Statutory Basis

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.

New York's agricultural industry is strong and growing, annually adding approximately \$37 billion to the economy between direct production, distribution, and processing and retail activities. However, New York State farmers tend to have higher costs of production particularly when comparing farmland value property taxation rates with our competitor states. Additionally price volatility especially in the state's largest sector of agriculture – dairy – is a continual challenge necessitating a diversification of income streams for many farms. Industrial hemp should be explored as a means of further creating and retaining jobs and economic growth. As farms, particularly in the dairy sector, need to explore alternative means of realizing profitability, industrial hemp can become a higher value diversification strategy for New York's farmers and provide a means of retaining land in farming.

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

The proposed project is unlikely to occur without ESD assistance. Given the difficulty of navigating the DEA import permit process, it is unlikely that growers with a research permit from the state of New York will be able to obtain the necessary seed in time for this year's growing cycle without having a partner entity (Cornell) utilize its DEA permit and research capacity to assist. Given the uncertainty of the agronomics of growing this new and emerging crop, it is unlikely that growers will be willing to risk planting a crop that still faces interesting regulatory and agronomic uncertainty in New York

State. Without knowledge of the economics of growing the crop, it will be difficult for New York to position itself to attract new hemp-based businesses, similar to those occurring in other states. This year's proposed deployment of a large scale field trial will give growers the confidence needed and an understanding of the market potential of the crop for future years. ESD's assistance is needed to fill the risk gap in innovation for this new crop in New York State

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

This project is reasonably expected to meet the goals of ascertaining economic data, and agronomic data, from a wide variety of soil types, equipment and planting conditions, all of which are necessary to help growers make an informed decision about planting. Cornell's role as the Land Grant institution is to assist in taking the risk out of business ventures by conducting and implementing applied research trials that provide real-world information to farmers and better enable them to assess profitable business ventures in the future. Much like experience in the craft based beverage sector, and the food manufacturing sector, if it is found that farmers can indeed grow this crop successfully and in a price competitive manner, we can reasonably expect that growth in the processing and manufacturing sector for industrial hemp will also occur.

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

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of New York State certified Minority and Women-Owned Business Enterprises ("MWBEs") and Service-Disabled Veteran-Owned Businesses ("SDVOB"), respectively, in the performance of ESD projects. The ESD Office of Contractor and Supplier Diversity have reviewed the project and have determined that there exists no potential for MWBE & SDVOB participation. As such, participation goals will not be established or required for this project.

VII. ESD Employment Enforcement Policy



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

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

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

IX. Additional Submissions to Directors

Resolutions  
New York State Map

July 27, 2017

Southern Tier Region – Cornell Industrial Hemp Working Capital – Empire State Economic Development Fund – Competitiveness Improvement Program (Working Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Cornell Industrial Hemp Working Capital -- Empire State Economic Development Fund - Competitiveness Improvement Program (Working 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Cornell University a grant for a total amount not to exceed Nine Hundred Thousand Dollars (\$900,000) 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

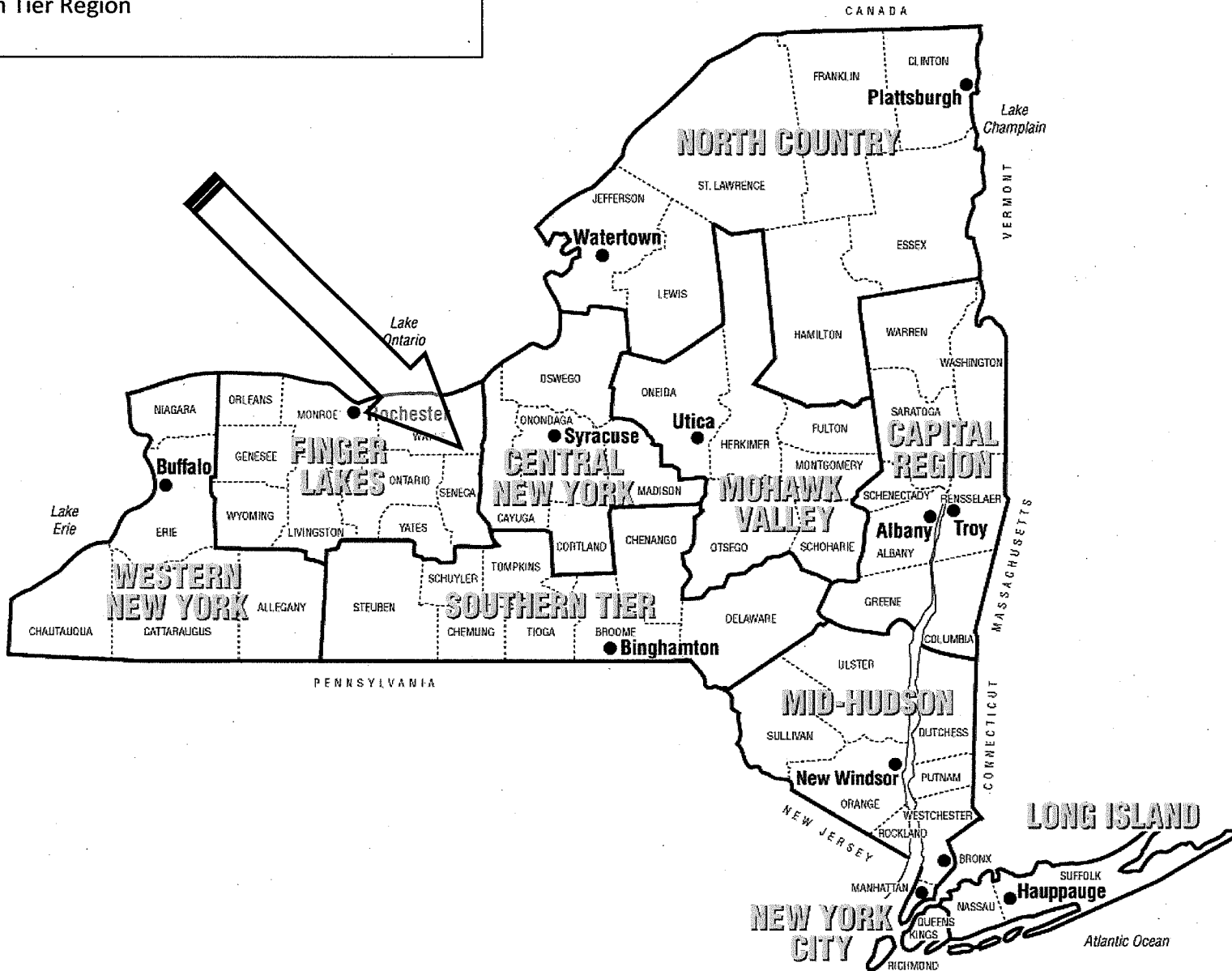
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

\* \* \*

Cornell Industrial Hemp Working Capital  
Southern Tier Region



# **Item II. D.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project - Wyandanch (Long Island Region – Suffolk County) – Wyandanch Rising Capital – Regional Council Capital Fund (Capital Grants)

REQUEST FOR: Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

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General Project Plan

I. Project Summary

Grantee: Town of Babylon (the “Town”)

ESD\* Investment: Two grants of up to \$4,800,000 to be used for a portion of the cost of construction of two new roadways for access to the new Intermodal Plaza, construction on the Plaza, and construction and installation of an ice rink within the Intermodal Plaza in Wyandanch

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

Project Location: Straight Path, Wyandanch, Suffolk County

Proposed Project: Construction of two new roadways for access to the new Intermodal Plaza, and the construction and installation of an ice rink within the Intermodal Plaza and start of construction on the Plaza, which is the basis of the transformative project “Wyandanch Rising”, an initiative that is a public-private partnership to transform the economically distressed community of Wyandanch into an active mixed-use, mixed income, transit oriented community

Project Type: Capital infrastructure investment for community revitalization

Regional Council: The project is consistent with the Long Island Regional Economic Development Council Plan to provide infrastructure support for a complete redevelopment of Suffolk County's low-income communities.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction & Road Work	\$10,427,375
Plaza & Facility Design	2,157,468
Planning/Design	603,480
Construction	3,825,000
Architect Engineer	<u>133,900</u>
<b>Total Project Costs</b>	<b><u>\$17,147,223</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant (#Y943)	\$1,000,000	6%
ESD-Grant (#X796)	3,800,000	22%
NYS DOT Multi-Modal Grant	1,390,000	8%
Suffolk County Jumpstart Grants	4,750,000	28%
Grantee Equity	<u>6,207,223</u>	<u>36%</u>
<b>Total Project Financing</b>	<b><u>\$17,147,223</u></b>	<b><u>100%</u></b>

III. Project Description

A. Grantee

Industry: Municipality

Grantee History: The Town of Babylon was founded and incorporated in 1872. The Town is located in southwestern portion of Suffolk County and is approximately thirty-three miles east of New York City. The Town is boarded in the south by the Great South Bay and the Atlantic Ocean. Wyandanch is a hamlet within the Town of Babylon.

Ownership: The Town is governed by a Board, which is comprised of a supervisor and the Town Council ("Council"). The Council consists of four elected council members.

Size: As of the 2010 Census, the town had a population of 213,603.

ESD Involvement: In 2011, the Town of Babylon approached the Long Island Regional Economic Development Council with their Wyandanch Rising Initiative concept. The Initiative involved a series of strategic community based

planning events and activities to help improve access to affordable housing, access to mass-transit, and development of retail and community space in the community of Wyandanch. This community based visioning process began in 2003. By 2010, the Town completed a master site plan calling for a new roadway network, plaza and ice rink to support surrounding private development.

The Town applied through the Regional Council Capital Fund to fill a gap in funding for the construction of a plaza, access roadways and construction of the ice skating rink. For the construction of the plaza and roadways, the Town applied through Round 1 of the Regional Council Awards, and ESD made the Town an offer of \$3,800,000 in April 2012, which was accepted by the Town in May 2012. For construction of the ice skating rink, the Town applied through Round 3 of the Regional Council Awards, and ESD made the Town an offer of \$1,000,000 in February 2014, which was accepted by the Town in March 2014. Without the assistance from ESD, the project would not have gone forward.

Competition: NA

Past ESD Support: Funding for the past five years to the Grantee, totaling \$2 million, is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Downstate Revitalization Fund	W984	\$2,000,000	November 20, 2014	March 11, 2016	Capital-Infrastructure/Sewer Line

**B. The Project**

Completion: June 2016

Activity: Construction of a new two-acre plaza ("Intermodal Plaza") with two access roadways, totaling 1,875 linear feet, and an ice rink was completed. The Intermodal Plaza is perpendicular to the main road in Wyandanch, Straight Path, and adjacent to the planned future station depot. Additionally, the installation of an ice skate rink within the Intermodal Plaza in Wyandanch was constructed. An associated skate rental and concession kiosks were also completed. The ice rink is operated by a third party vendor and employs seasonal employees during



the winter. During the summer, the space is used to house fairs and public events.

**Results:** The new roadway network and ice rink provided the framework around which development took place. At the same time the Town undertook the construction of this new public infrastructure, the Albanese Organization completed its first two private, mixed-use buildings pursuant to the Master Developer Agreement, comprising 177 units and 35,000 square feet of retail space. Each building has been successful, with full residential lease-up in the months following construction completion. The value of this private investment is over \$70 million. At the same time, the Long Island Rail Road has constructed a \$30 million, 920-space commuter parking garage to support the surrounding Wyandanch development and to meet anticipated future ridership demand at this location. This critical infrastructure in downtown Wyandanch will continue to support future development in accordance with the community vision and in line with what has already taken place on site. It will provide a reason for people to visit the development and help establish Wyandanch as a hamlet to visit.

**Infrastructure Investment**

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

**Grantee Contact:** Amy Pfeiffer, Director Downtown Revitalization  
200 East Sunrise Highway  
Lindenhurst, NY 11757  
Phone: (631) 957-4465

**ESD Project No.:** X796, Y943

<b>Project Team:</b>	Origination	Denise Zani
	Project Management	Emma Miran
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Design & Construction	Joseph Macaluso
	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 \$4,800,000 capital grants (\$48,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. For Grant #Y943, up to 1,000,000 will be disbursed to Grantee upon documentation of project costs totaling \$3,941,200, as evidenced by a certificate of occupancy and/or other documentation verifying project completion as ESD may require, upon completion of the project substantially as described in these materials, and compliance with the Design & Construction requirements, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2014 to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

For Grant #X798, up to \$3,800,000 will be disbursed to Grantee upon documentation of project costs totaling \$12,584,843, upon completion of the project substantially as described in these materials, and compliance with the Design & Construction requirements, 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; and evidence that NYS Environmental Facilities Corporation and NYS Department of Transportation commitments are in place. Expenses must be incurred on or after May 3, 2012, to be considered eligible project costs.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$4,800,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 and 2015-2016, 2016-2017 and 2017-2018 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

## V. Design and Construction

ESD staff will review the project budget, plans, and specifications, along with the other documents that ESD may require for scheduled payment projects. Submission of Payment Requisitions to ESD will be made according to disbursement terms outlined in the Grant Disbursement Agreement

## VI. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings in connection with the Wyandanch Rising project (the "proposed action") based on the Final Generic Environmental Impact Statement ("FGEIS") certified as complete on May 11, 2009 by the Town Board of the Town of Babylon, as lead agency, for the Wyandanch Downtown Revitalization Plan.

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

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

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

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

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. Active shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 28%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 17% and a Women Business Enterprise ("WBE") Participation Goal of 11% related to the total value of ESD's funding. MBE participation requirements may not be substituted for WBE participation, or the reverse.

VIII. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), ESD's Smart Growth Advisory Committee has reviewed a Smart Growth Impact Statement for the project and found that the project is consistent with the State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria"). The designee of the Chief Executive Officer of the Corporation has attested that the project, to the extent practicable, meets the relevant Smart Growth Criteria set forth in the SG Act.

IX. ESD Employment Enforcement Policy

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

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

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

XI. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Finance Memorandum  
Project Photographs

July 27, 2017

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

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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 Wyandanch Rising and Wyandanch Rising Capital - Regional Council Capital Fund (Capital Grants) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Town of Babylon grants for a total amount not to exceed Four Million and Eight Hundred Thousand Dollars 4,800,000 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.

\* \* \*

July 27, 2017

Regional Council Award – Priority Project - Wyandanch (Long Island Region – Suffolk County) – Town of Babylon – Wyandanch Rising Capital - Regional Council Capital Fund (Capital Grants) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

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RESOLVED, that with respect to the Wyandanch Rising Capital project (the “Project”), the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act (“SEQRA”) the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit A hereto, which Exhibit A is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation.

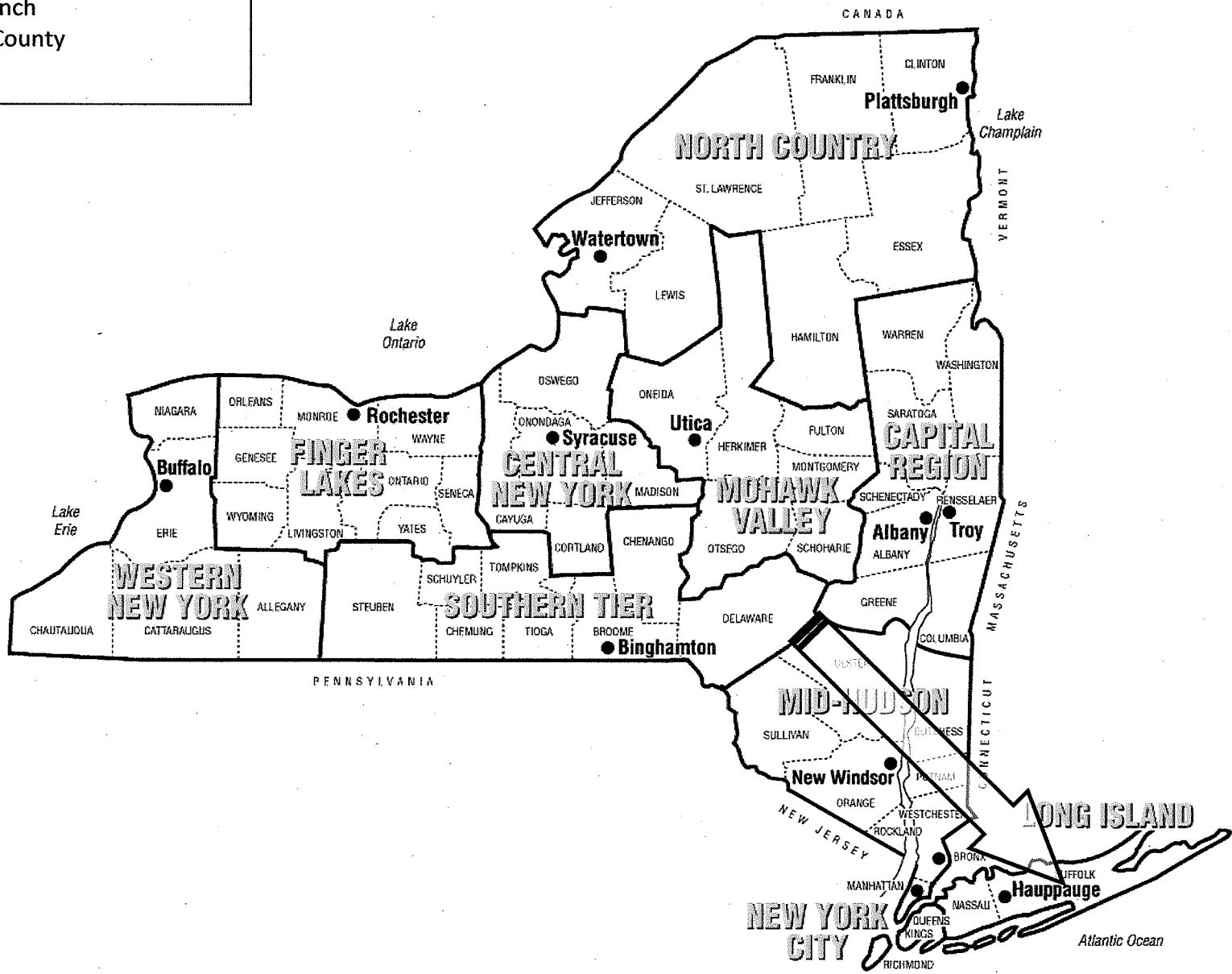
- The Corporation has given consideration to the Draft and Final Generic Environmental Impact Statement (“DGEIS” and “FGEIS” respectively) prepared for the Wyandanch Downtown Revitalization Plan;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department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

and be it further

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

\* \* \*

**Wyandanch Rising**  
Wyandanch  
Suffolk County





After



Before and After Photographs

Wyandanch Rising Phase 3 Capital (#Y943)

Before



**Item II. E.**



FOR CONSIDERATION

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Priority Project - Cazenovia (Central Region – Madison County) – Dielectric Laboratories 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:** Knowles Cazenovia, Inc. (“Knowles” or the “Company”)

**ESD\* Investment:** A grant of up to \$500,000 to be used for a portion of the cost of eligible capital costs, including renovations and the 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:** 2777 Route 20 East, Cazenovia, Madison County

**Proposed Project:** Relocation of an existing operation from Maryland, renovations and the purchase of new machinery and equipment

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

**Regional Council:** The project is consistent with the Central NY Regional Economic Development Council Plan to strengthen targeted industry concentrations that leverage unique economic assets.

Employment:	Initial employment at time of ESD Incentive Proposal:	156
	Current employment level:	282
	Minimum employment on January 1, 2018:	216

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Machinery & Equipment	\$5,544,337
Renovations	1,791,682
Relocation of Equipment	<u>55,515</u>
<b>Total Project Costs</b>	<b><u>\$7,391,534</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	7%
Company Equity	<u>6,891,534</u>	<u>93%</u>
<b>Total Project Financing</b>	<b><u>\$7,391,534</u></b>	<b><u>100%</u></b>

III. Project Description

A. Company

Industry: Capacitor manufacturer

Company History: Dielectric Labs, Inc. was founded in 1974 in Fairfield, New Jersey as a manufacturer of High-Q, temperature compensating multi-layer capacitors. In 1977, the Company moved to the current Cazenovia site and in 2004 acquired Voltronics Corporation. In 2014, Dielectric Laboratories spun from parent company Dover to new parent company Knowles Corporation alongside sister capacitor companies Syfer, Novacap, and Voltronics to make Knowles Capacitors. At this time Dielectric Laboratories also changed their name to Knowles Cazenovia. In 2016, Knowles Cazenovia absorbed Voltronics into its Cazenovia NY facility.

Ownership: Knowles Cazenovia, Inc. is a subsidiary of Knowles Corporation, Publicly held

Size: All facilities are located in Cazenovia, NY.

Market: Knowles is a global manufacturer with customers in the military, aerospace, telecom and industrial market. Their primary competitors include ATC/AVX, located in NY and SC, Presidio, located in CA, Compex,

located in NJ, and ATP, also located in CA.

**ESD Involvement:** The Company was looking to relocate its Salisbury, Maryland operation to available space in the Knowles Cazenovia facility. The Company applied for funding through Round 2 of the Consolidated Funding Application ("CFA") to secure funding to consolidate the two manufacturing facilities. ESD made the Company an offer of assistance in March 2013 which included a \$500,000 grant and \$1,922,460 in Excelsior Jobs Program tax credits between tax years 2014 and 2023, which the Company accepted in April 2013.

**Competition:** Maryland, California

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

#### **B. The Project**

**Completion:** March 2017

**Activity:** The Company relocated an existing capacitor manufacturing operation from Maryland as a step to consolidate operations, operational costs and maintain competitiveness. Knowles also purchased and installed new machinery and equipment. The Company also renovated the facility, including the installation of a 2,000-square-foot clean room. The cleanroom supports the growth initiative for the next seven years with necessary environmental controls.

**Results:** Retain 156 existing jobs and create 60 new jobs. The Company has already exceeded its job commitment, having created 126 new jobs.

#### **Business Investment Project:**

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

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

- Fiscal benefits to NYS government from the project are estimated at \$1,978,001;
- Fiscal cost to NYS government is estimated at \$1,840,203;
- Project cost to NYS government per direct job is \$38,338;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$23,824;
- Ratio of project fiscal benefits to costs to NYS government is 1.07:1;
- Fiscal benefits to all governments (state and local) are estimated at \$3,332,288;
- Fiscal cost to all governments is \$1,840,203;
- All government cost per direct job is \$38,338;
- All government cost per total job is \$23,824;
- The fiscal benefit to cost ratio for all governments is 1.81:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$15,355,338, or \$198,798 per job (direct and indirect);
- The economic benefit to cost ratio is 8.34:1;
- Project construction cost is \$1,847,197, which is expected to generate 16 direct job years and 11 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.60 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: Yin Chen, Controller  
 2777 Route 20 East  
 Cazenovia, NY 13035  
 Phone: 315-655-8710

ESD Project No.: Y327

Project Team:	Origination Project Management Contractor & Supplier Diversity Finance Environmental	Ray Lawrence Benny DiBiase Edwina Telemaque Angela Pitta 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 \$500,000 (\$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. Knowles Corporation will guarantee the grant repayment obligation of its subsidiary, Knowles Cazenovia, Inc., in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. 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.
5. 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.
6. Up to \$500,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$250,000) upon completion of the project substantially as described in this document, documentation of project costs totaling \$7,000,000 and documentation of the employment of at least 156 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 (\$125,000) will be disbursed upon documentation of the employment of at least 186 Full-time Permanent Employees at the Project Location (Employment Increment of 30), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$125,000) will be disbursed upon documentation of the employment of at least 216 Full-time



Permanent Employees at the Project Location (Employment Increment of 30), 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 April 11, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

7. 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.
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.

A	B
Reporting Date	Employment Goals
February 1, 2018	156+X+Y
February 1, 2019	156+X+Y
February 1, 2020	156+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=30, and Employment Goals shall equal [156 + X = 186] 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=30, and Employment Goals shall equal [156 + X + Y = 216] 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 funding was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-2018 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 Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 10% related to the total value of ESD's funding.

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

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

**VIII. Additional Submissions to Directors**

**Resolutions**

**New York State Map**

**Benefit-Cost Analysis**

**Project Finance Memorandum**

July 27, 2017

Regional Council Award – Priority Project - Cazenovia (Central Region – Madison County)  
– Dielectric Laboratories 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 Dielectric Laboratories 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 Knowles Cazenovia, Inc. 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 of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

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

\* \* \*



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

**Knowles Cazenovia, 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>	<b>156</b>	<b>Construction Job Years (Direct):</b>	<b>16</b>
<b>New Jobs:</b>	<b>60 in one year</b>	<b>Construction Job Years (Indirect):</b>	<b>11</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>	\$1,840,203	\$794,250	\$1,840,203	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$1,978,001	\$2,085,600	\$3,332,288	\$4,271,980
Fiscal Cost /Direct Job	\$38,338	\$3,000	\$38,338	\$4,110
Fiscal Cost/Total Jobs	\$23,824	\$1,424	\$23,824	\$1,964
Fiscal B/C Ratio	1.07	7.00	1.81	10.60
	<b>Project Results</b>	<b>Benchmarks</b>		
Economic Benefits <sup>5</sup>	\$15,355,338	\$119,468,000		
Econ. Benefits/Total Jobs	\$198,798	\$147,600		
Economic B/C Ratio	8.34	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.

**Item II. F.**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Camillus (Central Region – Onondaga County)  
– Camillus Mills 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:** Camillus Mills Holdings, Inc. (the “Company”)

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

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

**Project Location:** 54 Genesee Street, Camillus, Onondaga County

**Proposed Project:** Rehabilitation of a two-story, 42,000-square-foot, historic landmark building circa 1925 into a mixed-use commercial and residential redevelopment

**Project Type:** Rehabilitation of a historic landmark structure

**Regional Council:** The project is consistent with the Central Regional Economic Development Council Plan to revitalize main streets to create world-class communities.

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$3,815,000
Environmental	1,500,000
Planning	500,000
Site Work	1,400,000
Demolition	185,000
Soft Costs	<u>2,300,000</u>
<b>Total Project Costs</b>	<b><u>\$9,700,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant (Y233)	\$500,000	5%	
Community Preservation Corporation Bank Loan	3,960,000	41%	4.72%/30 yrs/first lien on RE
National Grid	300,000	3%	
Restore NY Grant (W833)*	2,340,000	24%	
Company Equity	<u>2,600,000</u>	<u>27%</u>	
<b>Total Project Financing</b>	<b><u>\$9,700,000</u></b>	<b><u>100%</u></b>	

\*This grant will be presented at today's ESD Directors meeting for approval.

## III. Project Description

### A. Company

Industry:	Mixed-use facility developers
Company History:	Camillus Mills Holdings, Inc and its affiliate Camillus Mills, LLC consist of seven partners, who through various affiliates have developed, own and manage more than \$70 million in real estate, including four of which are certified historic rehabilitations for residential and commercial purposes.
Ownership:	Privately owned
Size:	All facilities are located in Camillus, NY.
Market:	Real Estate
ESD Involvement:	The Village of Camillus ("Village") is a community of approximately 1,200 residents. The Village suffered a major economic loss when Camillus Cutlery closed its doors in 2007 and again in 2013, when a fire destroyed the 90,000-square-foot factory portion of the Camillus Cutlery

manufacturing complex. The land was later determined to be a Brownfield site by the NYS DEC, and left blighted and environmentally scarred. As a result of the Governor's Regional Economic Development Council Initiative, the Company was awarded \$500,000 through Round 2 of the Consolidated Funding Application to assist with this project. Without ESD's assistance, the project would not proceed as the cost to redevelop the property greatly exceeded the financeable debt of the project.

Competition: NA

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

**B. The Project**

Completion: September 2017

Activity: The Company and its affiliate, Camillus Mills, LLC, have remediated a New York State Brownfield site and restored an abandoned and decayed National Register landmark building in the heart of the Village of Camillus to include commercial space and 29 loft apartments.

Results: Rehabilitate the historic site to include 8,500 square feet of commercial space and 29 loft apartments, housing approximately 60 new middle income residents to the heart of the Village. The transformation will encourage a boost in restaurant and retail sales through the Village's commercial core.

**Infrastructure  
Investment**

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

Grantee Contact: Thomas M. Blair, Principal  
3895 Fennell Street  
Skaneateles, NY 13152  
Phone: (315) 729-2829

ESD Project No.: Y233

Project Team:	Origination	Bonnie Palmer
	Project Management	Anna Franzini
	Contractor & Supplier Diversity	Edwina Telemaque
	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 \$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 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 \$500,000 will be disbursed to Grantee upon documentation of project costs totaling \$9,700,000, upon completion of the project substantially as described in these materials, 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 March 27, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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 funding was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The Village of Camillus Village 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 February 1, 2016. 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 inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law ("Section 14.09"). The project is in compliance with Section 14.09.

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

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and 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.

#### 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

Project Photographs

July 27, 2017

Regional Council Award – Camillus (Central Region – Onondaga County) – Camillus Mills 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

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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 Camillus Mills 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 Camillus Mills Holdings, Inc. 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 27, 2017

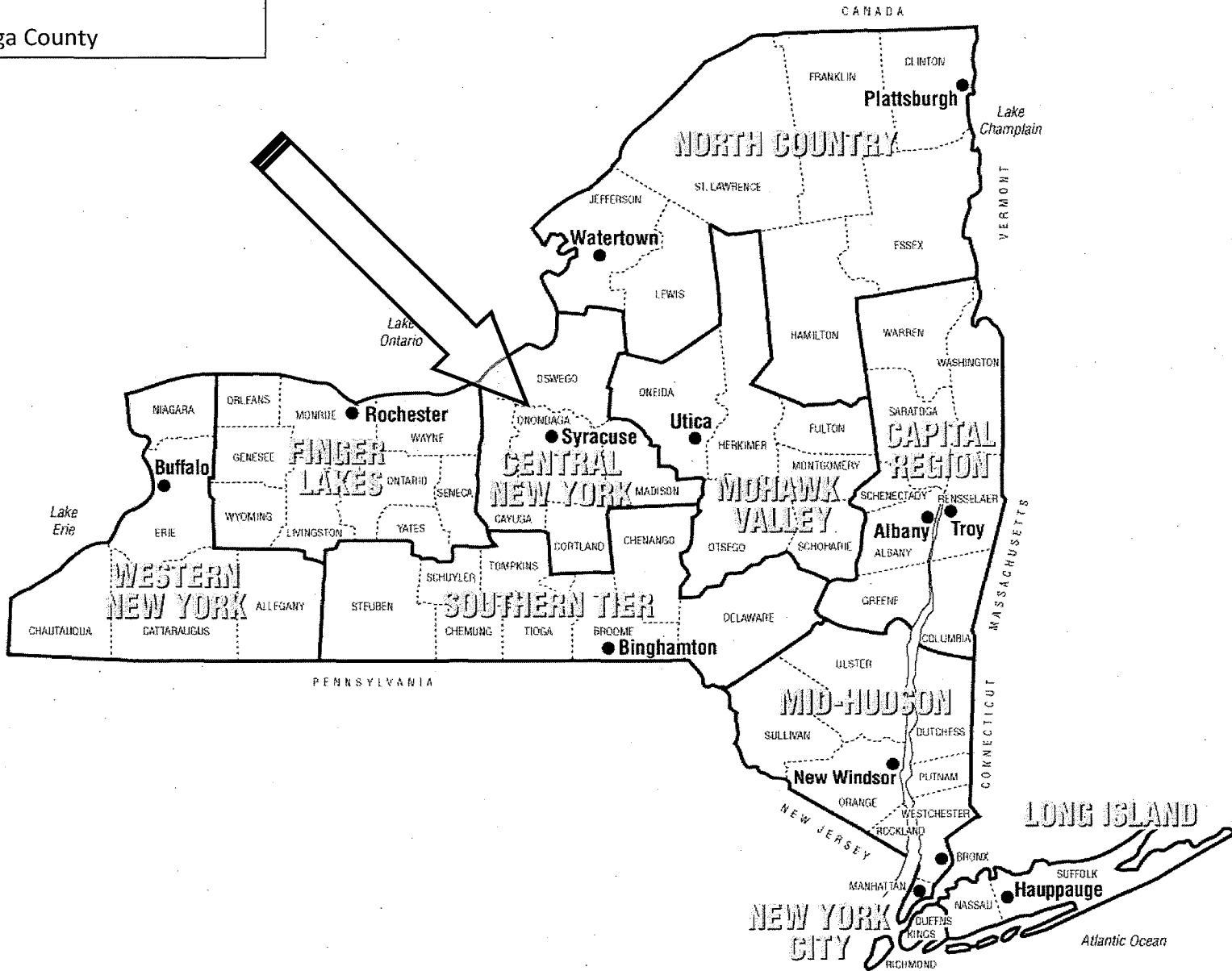
Regional Council Award – Camillus (Central Region – Onondaga County) – Camillus Mills  
Redevelopment Capital – Regional Council Capital Fund (Capital Grant) – Determination  
of No Significant Effect on the Environment

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

\* \* \*

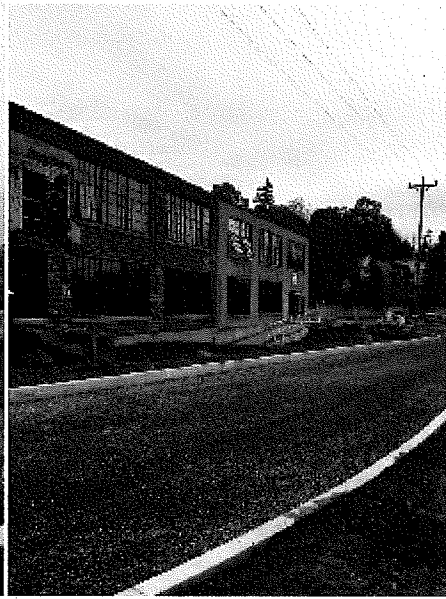
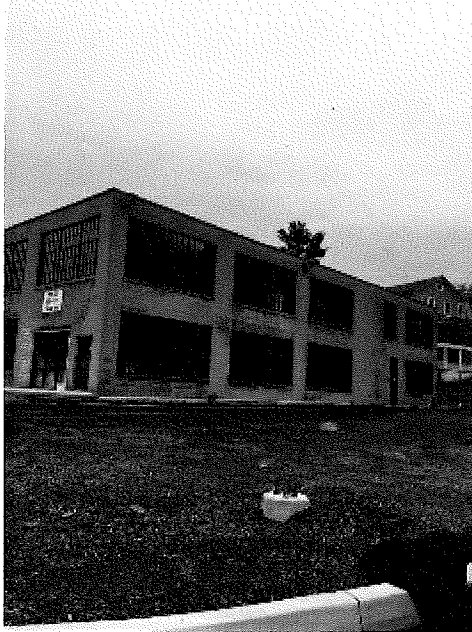
**Camillus Mills Redevelopment**  
Camillus  
Onondaga County



Apartment Interiors



Building Exterior



Site Work



**Item II. G.**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Bronx (New York City Region – Bronx County) – GrowNYC Capital – Upstate Agriculture Economic Development Program (Capital Grant)

**REQUEST FOR:** Findings and Determinations Pursuant to Sections 16-s 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:** Council on the Environment d/b/a GROW NYC (“Grow NYC” or the “Organization”)

**ESD\* Investment:** A grant of up to \$1,632,000 to be used for a portion of the cost of design and engineering for the creation of the Greenmarket Regional Food Hub

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

**Project Locations:** Block 2781 portion of Lot 500 and Block 2778 portion of Lot 100, Bronx, Bronx County\*

100 Gold Street, New York

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

**Proposed Project:** Planning, design, and engineering for the construction of a wholesale farmers market in the South Bronx

**Project Type:** Capital

**Regional Council:** The New York City Regional Economic Development Council (the

“Council”) has been made aware of this item. The Project is consistent with the Council’s plan to invest in the future by investing in food networks that would allow for more efficient ways to move goods into, out of, and throughout the five boroughs.

Employment: Initial employment at time of ESD Incentive Proposal: 14  
 Current employment level: 14  
 Minimum employment on January 1, 2020: 14

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Architecture and Engineering	\$895,000
Environmental Remediation	310,000
Survey / Permits / Expediting	82,500
Development Consultant	240,000
Soft Costs	634,125
Insurance	<u>200,000</u>

Total Project Costs \$2,361,625

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,632,000	68%
Grantee Equity	<u>729,625</u>	<u>32%</u>
Total Project Financing	<u>\$2,361,625</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Sustainability Services Organization

Company History: Founded in 1970, GrowNYC is the sustainability resource for New Yorkers providing free tools and services anyone can use in order to improve the City and environment. Its mission is to improve New York City's quality of life through environmental programs that transform communities block by block and empower all New Yorkers to secure a clean and healthy environment for future generations.

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

Size: All facilities are located in New York, NY.

ESD Involvement: Greenmarket Co. is a mission-driven, non-profit food distribution



program run by GrowNYC. The goal of the program is to create profitable business opportunities for local farmers and to increase access to healthy, fresh, local foods in underserved communities throughout NYC. Greenmarket Co. is looking to create an expanded facility. A larger facility would allow the program to exponentially increase its capacity to connect underserved New Yorkers with fresh, healthy, local foods. The facility will provide cold storage, aggregation, distribution m, and processing infrastructure to connect more NYC wholesale buyers with local farm products.

The Greenmarket Regional Food HUB facility will be a 75,000-square-foot facility located on a 135,000-square-foot site in Hunts Point, NY. 60,000 square feet of the facility will be dedicated to wholesale food distribution and the remainder of the facility will serve as offices and hallways. GrowNYC will occupy 20,000 square feet of the facility to provide aggregation/distribution services and will lease approximately 20,000 square feet to other distributors for wholesale activities. The remaining 20,000 square feet will be used for food processing that will either be managed by GrowNYC and a partner, or to be occupied by a tenant that may offer co-packing opportunities.

The total amount awarded for this project is \$15,000,000. At this time, \$1,632, 000 is being requested. The portion of the grant being requested at this time will be used for design, planning, and soft costs associated with the construction of The Greenmarket Regional Food HUB. The balance of the grant will be presented to ESD’s Directors at a later time. Without ESD assistance the project would not have been feasible.

Past ESD Support: Funding for the past five years, totaling \$439,000, to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Urban and Community Development Program	Y347	\$250,000	April 18, 2013	March 31, 2016	Working Capital - Working capital for marketing, wages, distribution, and operations.

NYPA Open for Business Craft Beverage Marketing Program	AA212	\$46,940	October 15, 2015	January 25, 2017	Working Capital - Funds to host a rotating craft beverage stand at 2 Greenmarkets.
NYPA Open for Business Craft Beverage Marketing Program Round 2	AB003	\$142,427	March 16, 2017	December 31, 2018	Working Capital - Funds to host a rotating craft beverage stand at 2 Greenmarkets

**B. The Project**

**Completion:** April 2019

**Activity:** In March 2015 the Organization hired Signature Urban Properties, LLC as the project development consultant; in April 2016, AKRF, Inc. was hired as the environmental consultant; BLD, Inc. was hired as the architecture in November 2016; and Control Point, Inc. was hired as the surveyor in December 2016.

**Results:** Construction of the Greenmarket Regional Food HUB will provide the following benefits to local farmers and underserved communities throughout NYC: access to the New York City wholesale market for more than 120 mid-sized farmers in the State of New York; access to healthy, fresh, local produce to an estimated 500,000 New Yorkers, 70% of which live in underserved communities; lower cost and increased quantities of fresh, local produce available to community-based food access programs; and the donation of 500,000 pounds of unsold fresh produce to food rescue organizations per year.

**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 \$499,108;
- Fiscal cost to NYS government is estimated at \$1,632,000;
- Project cost to NYS government per direct job is \$161,637;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$122,415;
- Ratio of project fiscal benefits to costs to NYS government is 0.31:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,073,969;
- Fiscal cost to all governments is \$1,632,000;
- All government cost per direct job is \$161,637;
- All government cost per total job is \$122,415;
- The fiscal benefit to cost ratio for all governments is 0.66:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$6,810,214, or \$510,828 per job (direct and indirect);
- The economic benefit to cost ratio is 4.17:1;
- 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 0.21 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: Nathan Patterson, Development Manager  
100 Gold Street Suite 3300  
New York, NY 10038  
Phone: (212) 788-7900

ESD Project No: AB188

Project Team:	Origination	Linda LaViolette
	Project Management	Arturo Rodriguez
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$1,632,000, not to exceed 68% of total project costs, will be disbursed to the Grantee no more frequently than quarterly, and in proportion to ESD's funding share and in compliance with Design and Construction requirements, upon documentation of planning and design costs, 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 August 1, 2016, to be considered eligible project costs. Expenses must be incurred on or after September 30, 2016 to be considered eligible reimbursable 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 \$1,632,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	14
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A	B
Date	Employment Goals
February 1, 2018	14
February 1, 2019	14

**IV. Statutory Basis – Upstate Agricultural Economic Development Fund**

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

V. Environmental Review

ESD staff has determined that the approval of funding to be used for a portion of the cost of design and engineering constitutes a Type II action as defined in the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. Therefore, no further environmental review is required in connection with this authorization. The construction of the proposed new facility, however, will be subject to further review pursuant to SEQRA.

VI. Design and Construction

ESD staff will review the project budget, plans, and specifications, along with the other documents that ESD may require for scheduled payment projects. Submission of Payment Requisitions to ESD will be made according to disbursement terms outlined in the Grant Disbursement Agreement.

VII. 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 NYS certified Minority and Women-owned Business Enterprises ("MWBES") in the performance of the Corporation's contracts. ESD's Non-Discrimination and Contractor & Supplier Diversity policy will apply to this initiative.

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 Finance Memorandum

July 27, 2017

Bronx (New York City Region – Bronx County) – GrowNYC Capital – Upstate Agricultural Economic Development Program (Capital Grant) – Findings and Determinations Pursuant to Sections 16-s 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 GrowNYC Capital -- Upstate Agricultural Economic Development Program (Capital Project) (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Council on the Environment d/b/a GROW NYC a grant for a total amount not to exceed One Million Six Hundred and Thirty Two Thousand Dollars (\$1,632,000) from the Upstate Agricultural Economic Development 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.

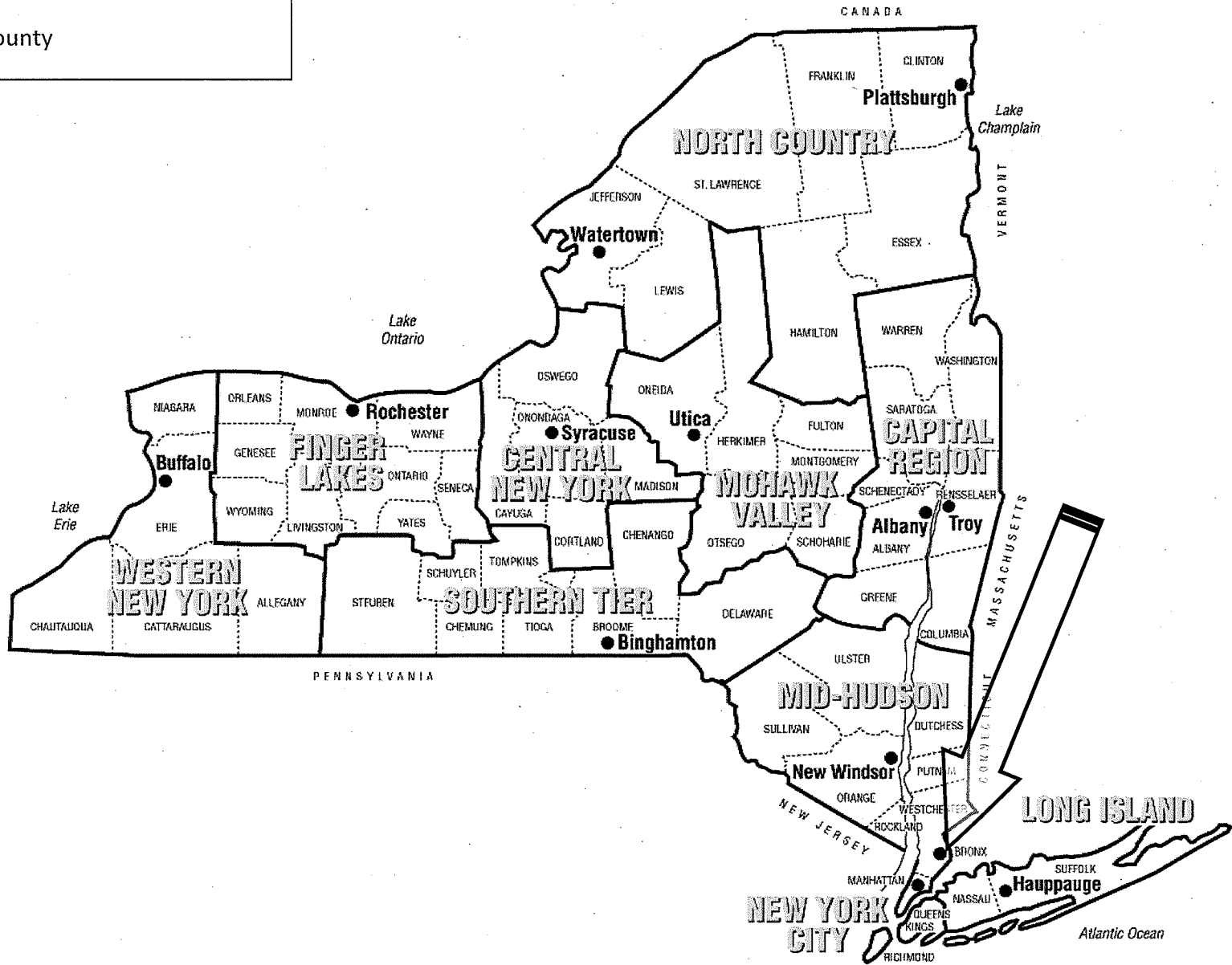
\* \* \*



**GrowNYC Capital**

Bronx

Bronx County



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

### Grow NYC – 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>	14	<b>Construction Job Years (Direct):</b>	0
<b>New Jobs:</b>	12 in one year	<b>Construction Job Years (Indirect):</b>	0

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>	\$1,632,000	\$794,250	\$1,632,000	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$499,108	\$2,085,600	\$1,073,969	\$4,271,980
Fiscal Cost /Direct Job	\$161,637	\$3,000	\$161,637	\$4,110
Fiscal Cost/Total Jobs	\$122,415	\$1,424	\$122,415	\$1,964
Fiscal B/C Ratio	0.31	7.00	0.66	10.60
	Project Results	Benchmarks		
Economic Benefits <sup>5</sup>	\$6,810,214	\$119,468,000		
Econ. Benefits/Total Jobs	\$510,828	\$147,600		
Economic B/C Ratio	4.17	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.

**Item II. H.**

FOR CONSIDERATION

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Regional Council Award – Brooklyn (New York City Region – Kings County) – BioBAT 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:** BioBAT, Inc. (“BioBAT” or the “Organization”)

**ESD\* Investment:** A grant of up to \$300,000 to be used for a portion of the cost of design and construction of vacant industrial space into biotechnology laboratory and office space for STARTUP-NY companies and other companies

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

**Project Location:** 140 58<sup>th</sup> Street, 2<sup>nd</sup> Floor, Brooklyn, Kings County

**Proposed Project:** Design and construction of 15,955 square feet of state-of-the-art biotechnology laboratory/office space on the second floor at BioBAT at the Brooklyn Army Terminal for STARTUP-NY companies and other companies

**Project Type:** Bio tech laboratory facility expansion

**Regional Council:** The project is consistent with the New York City Regional Economic Development Council Plan on stimulating economic growth and job creation in economically distressed communities.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$4,662,044
Soft Costs	<u>407,244</u>
<b>Total Project Costs</b>	<b><u>\$5,069,288</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD Grant	300,000	6%
Brooklyn Borough President Grant	975,610	19%
State Legislature Funds	2,931,212	58%
Grantee Equity	<u>862,466</u>	<u>17%</u>
<b>Total Project Financing</b>	<b><u>\$5,069,288</u></b>	<b><u>100%</u></b>

III. Project Description

A. Organization

Industry: Biomedical/Medical

Organization History: BioBAT provides state-of-the-art wet laboratory, office, manufacturing and industrial space for biotechnology and technology companies. BioBAT, which is being built in phases for Incubator graduates and more mature biotech companies, is composed of 524,000 square feet in Building A at the Brooklyn Army Terminal.

Ownership: BioBAT, Inc. is a not-for-profit joint venture between the New York City Economic Development Corporation and the Research Foundation for SUNY on behalf of SUNY Downstate Medical Center.

Size: All facilities are located in Brooklyn, NY.

Market: Biotechnology and technology companies

ESD Involvement: On July 2015, BioBAT approach ESD for financial assistance to build laboratories and offices for a number of companies interested in taking space on the Southwest side of BioBAT's 2<sup>nd</sup> floor. Companies expressing strong interest include VWR, Ephemeral Solutions, Nanowear, and Blue Rock Therapies. Through Round 5 of the Regional Economic Development Council Consolidated Funding Application ("CFA") process, the Organization was awarded a \$300,000 grant award that filled a

financing gap that allowed the project to move forward.

**Competition:** Neighboring states attracting biotech companies to their biotech parks.

**Past ESD Support:** Funding totaling \$6,000,000 million 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
Sp Appr Cap Proj Fund (University)	V719	\$6,000,000	November 15, 2007 Amended August 1, 2016	December 31, 2017	Redevelopment of 85,000 sq. ft. of Building A

**B. The Project**

**Completion:** December 2018

**Activity:** The project consists of the design and construction of 15,955 square feet of state-of-the-art biotechnology laboratory/office space on the second floor at BioBAT at the Brooklyn Army Terminal for STARTUP-NY companies and other companies. Development of this project is in the design phase. An RFP was issued for the design of the space. BioBAT has reviewed proposals from five architectural firms and chose NK architects. A contract is being finalized.

**Results:** As a result of the project, BioBAT will attract local, national and international biotech and technology companies to the New York City area to state-of-the-art wet laboratory, office, manufacturing and industrial space.

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

**Grantee Contact:** Eva Cramer, President  
450 Clarkson Avenue  
Brooklyn, NY 11203  
Phone: (718) 270-1011  
ecramer@downstate.edu

ESD Project No.: AA692

Project Team:	Origination	Andrew Fletcher
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Angela Pitto
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$300,000 capital grant (\$3,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$300,000 will be disbursed to the Grantee as reimbursement for eligible costs during the course of the project, no more frequently than quarterly, in proportion to ESD's share of funding, assuming 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 10, 2015, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

#### IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2015-2016 New York State budget and reappropriated in the 2016-2017 and 2017-2018 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

Pursuant to the State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the proposed project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of November 15, 2007. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise Participation Goal of 20% and a Women Business Enterprise 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

Resolutions

New York State Map

Project Finance Memorandum

July 27, 2017

Regional Council Award – Brooklyn (New York City Region – Kings County) – BioBAT 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 BioBAT 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

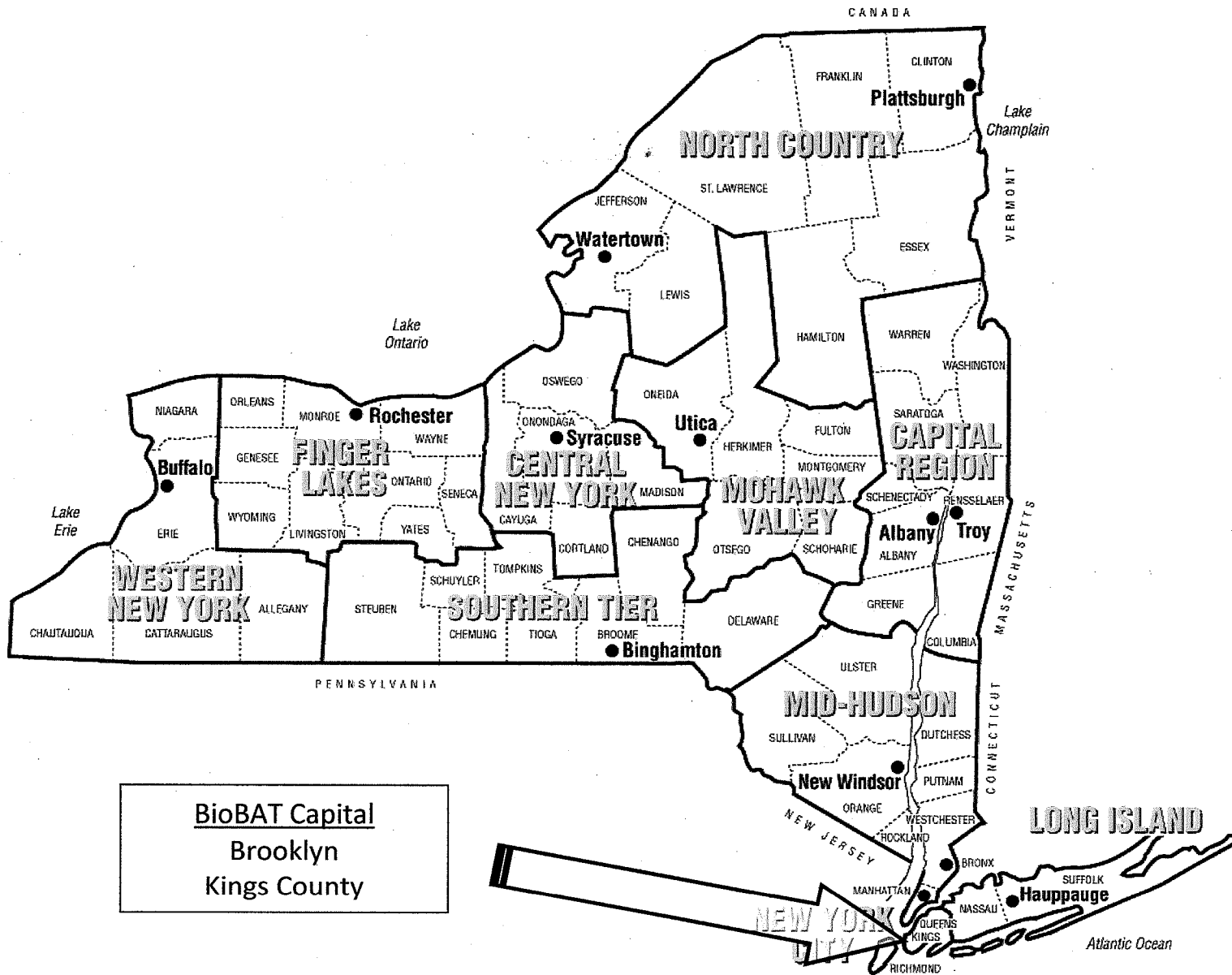
RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon 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 BioBAT, Inc. a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*



**BioBAT Capital**  
**Brooklyn**  
**Kings County**

# Item II. I



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New York (New York City Region – New York County) – The New York Stem Cell Foundation 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:** The New York Stem Cell Foundation (“NYSCF” or the “Organization”)

**ESD\* Investment:** A grant of up to \$500,000 to be used for a portion of the cost of renovations

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

**Project Location:** 619 West 54th Street, New York, New York County

**Proposed Project:** Construction and renovation of a state-of-the-art lab and office space to conduct stem cell research

**Project Type:** Research and development expansion involving job retention and creation

**Regional Council:** The New York City Regional Economic Development Council has been made aware of this item.

**Employment:**

Initial employment at time of ESD Incentive Proposal:	54
Current employment level:	62
Minimum employment on January 1, 2019:	84

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction / Renovation	\$22,023,650
Machinery & Equipment	<u>848,739</u>
Total Project Costs	<u>\$22,872,389</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$500,000	2%	
Private donations (Grantee Equity)	14,534,681	64%	
Northern Trust (bank loan)	7,337,708	32%	Variable/11.5 yrs/ Secured by certain assets of NYSCF
NYC Economic Development Corp.	<u>500,000</u>	<u>2%</u>	
Total Project Financing	<u>\$ 22,872,389</u>	<u>100%</u>	

## III. Project Description

### A. Company

Industry: Research / Biotech

Company History: NYSCF was co-founded by Susan L. Solomon in 2005 with the mission of accelerating stem cell research to cure major disease. In 2006, NYSCF established its own laboratory, which is now one of the largest private stem cell laboratories in the United States. NYSCF has raised over \$200 million for stem cell research and continues to conduct the most advanced stem cell research internationally, both in its own laboratory in New York City, and also in collaboration with major medical research and leading academic institutions around the world.

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

Size: All facilities are located in New York, NY.

Market: Development of disease cures through stem cell research

ESD Involvement: ESD funds are essential to enable NYSCF to combine its research and office staff into a newly renovated, state-of-the-art research laboratory located at 619 West 54<sup>th</sup> Street in Manhattan, which will allow the Organization to expand its capabilities in conducting stem cell research.

Competition: N/A

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

B. The Project

Completion: March 2017

Activity: NYSCF has built a new state-of-the-art laboratory at 619 West 54<sup>th</sup> Street in Manhattan. Combining NYSCF's research and office staff will increase work capacity, which will result in immediate hires and increased commercialization, and will give NYSCF the ability to retain and recruit new employees from all over the world. The new facility has also doubled the amount of lab space to enable future expansion.

This new facility has already attracted attention from industry, government and other key supporters of life sciences. NYSCF's landlord is marketing the building to many life science prospective tenants, and NYC is looking for ways to make the far west side of Manhattan a bio tech cluster, with this project serving as a catalyst.

Results: Retain 54 existing jobs and create 30 new jobs. The Organization has already created 8 new jobs.

Grantee Contact: Jeff Wallerstein, CFO  
619 West 54th Street, 3rd Floor  
New York, NY 10019  
Phone: (212) 365-7428

ESD Project No.: AA085

Project Team:	Origination	Loretta Beine
	Project Management	Scott Lamkin
	Contractor & Supplier Diversity	Denise Ross
	Finance	Angela Pitto
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee'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 Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$500,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$250,000) upon documentation of project costs totaling \$15,000,000, upon completion of the project substantially as described in these materials as evidenced by a Certificate of Occupancy, and documentation of the employment of at least 54 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 (\$125,000) will be disbursed upon documentation of the employment of at least 69 Full-time Permanent Employees at the Project Location (Employment Increment of 15), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$125,000) will be disbursed upon documentation of the employment of at least 84 Full-time Permanent Employees at the Project Location (Employment Increment of 15), 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 June 30, 2016, 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 \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In



no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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	54
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A	B
Reporting Date	Employment Goals
February 1, 2018	54+X+Y
February 1, 2019	54+X+Y
February 1, 2020	54+X+Y
February 1, 2021	54+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=15, and Employment Goals shall equal [54 + X = 69] 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=15, and Employment Goals shall equal  $[54 + X + Y = 84]$  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

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 Grantee will maintain its employment level of 54 and create 30 new jobs.

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

ESD's 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.

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.

#### Business Investment

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 \$5,026,327;
- Fiscal cost to NYS government is estimated at \$500,000;
- Project cost to NYS government per direct job is \$12,834;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$6,685;
- Ratio of project fiscal benefits to costs to NYS government is 10.05:1;
- Fiscal benefits to all governments (state and local) are estimated at \$10,800,239;
- Fiscal cost to all governments is \$500,000;
- All government cost per direct job is \$12,834;
- All government cost per total job is \$6,685;
- The fiscal benefit to cost ratio for all governments is 21.60:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$68,513,505, or \$916,016 per job (direct and indirect);

- The economic benefit to cost ratio is 137.03:1;
- Project construction cost is \$20,449,546, which is expected to generate 99 direct job years and 52 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.90 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

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 Organization shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women-owned Business Enterprise ("MWBE") Participation Goal of 50%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 30% and a Women-owned Business Enterprise ("WBE") Participation Goal of 20% related to the total value of ESD's funding. MBE participation requirements may not be substituted for WBE participation, or the reverse.

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

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

VIII. Additional Submissions to Directors

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

July 27, 2017

New York (New York City Region – New York County) – The New York Stem Cell Foundation 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 The New York Stem Cell Foundation 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 The New York Stem Cell Foundation a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of

the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

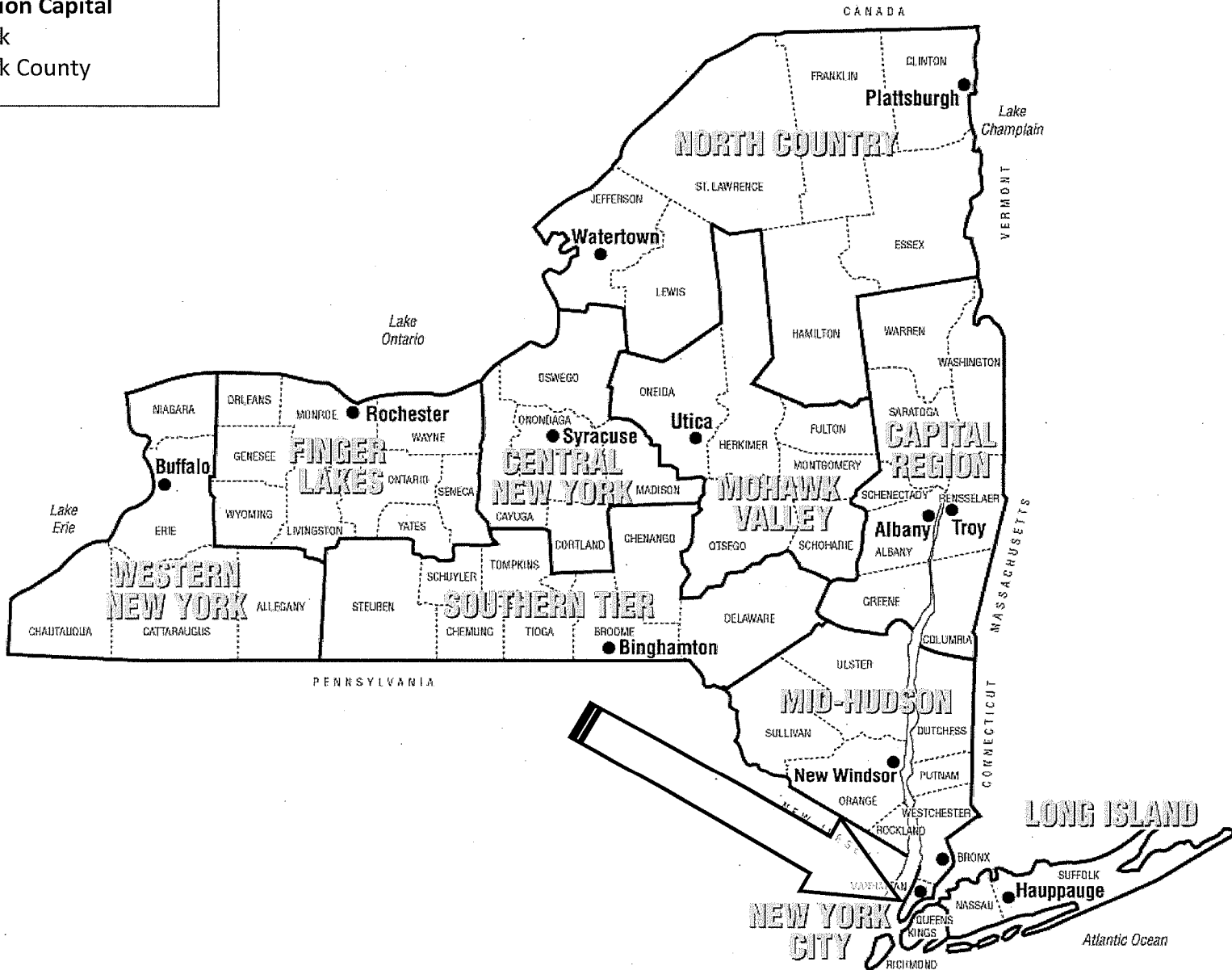
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

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

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

\* \* \*

The New York Stem Cell  
Foundation Capital  
New York  
New York County



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

### The New York Stem Cell Foundation – 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>	54	<b>Construction Job Years (Direct):</b>	99
<b>New Jobs:</b>	30 in five years	<b>Construction Job Years (Indirect):</b>	52

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>	\$500,000	\$794,250	\$500,000	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$5,026,327	\$2,085,600	\$10,800,239	\$4,271,980
Fiscal Cost /Direct Job	\$12,834	\$3,000	\$12,834	\$4,110
Fiscal Cost/Total Jobs	\$6,685	\$1,424	\$6,685	\$1,964
Fiscal B/C Ratio	10.05	7.00	21.60	10.60
	Project Results	Benchmarks		
Economic Benefits <sup>5</sup>	\$68,513,505	\$119,468,000		
Econ. Benefits/Total Jobs	\$916,016	\$147,600		
Economic B/C Ratio	137.03	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.











**Item II. J.**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New York (New York City Region – New York County) – New York Genome Center Life Science Capital – Life Sciences Initiative 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:** New York Genome Center (“NYGC”)

**ESD\* Investment:** A grant of up to \$17,000,000 to be used for the cost of renovations and the purchase of machinery and equipment for 30,000 square feet of wet and dry laboratories, shared administrative space and offices

**Project Location:** 101 6th Ave, 3<sup>rd</sup> floor New York, New York County

**Proposed Project:** NYGC will renovate and equip 30,000 square feet of space, install specialized machinery and equipment, and add furniture fixtures and equipment.

**Project Type:** Infrastructure investment to induce business attraction

**Regional Council:** The New York City Regional Economic Development Council has been made aware of this item.



II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$10,772,000
Infrastructure/Site Work	1,583,000
Machinery and Equipment Acquisition	3,035,000
Furniture, Fixtures and Equipment	600,000
IT Infrastructure	<u>1,010,000</u>
 Total Project Costs	 <u>\$17,000,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$17,000,000</u>	<u>100%</u>
 Total Project Financing	 <u>\$17,000,000</u>	 <u>100%</u>

III. Project Description

A. Organization

Industry: Biomedical research and clinical care

Organization

History: Founded in 2010, NYGC is at the forefront of transforming biomedical research and clinical care with the mission of saving lives. NYGC focuses on translating genomic research into clinical solutions for serious disease. Genomic medicine examines a person's unique genetic information to determine the likely causes of disease as a result of aberrations in the genetic code. Such an examination involves the analysis of large amounts of data to understand how the disease is related to these genetic aberrations. NYGC represents an unprecedented sharing of data and resources among premier institutions, which will dramatically increase the quality and speed of research outcomes to advance clinical care. This collaboration will help forward the advances leading to a new era of personalized medicine, accelerate the development of new diagnostics and treatments for human diseases, and provide an engine for life science commercialization in the region.

NYGC members and partners include: Albert Einstein College of Medicine, American Museum of Natural History, Cold Spring Harbor Laboratory, Columbia University, Cornell University/Weill Cornell Medical College, Hospital for Special Surgery, The Jackson Laboratory, Memorial Sloan-Kettering Cancer Center, Icahn School of Medicine at Mount Sinai, New York-Presbyterian Hospital, The New York Stem Cell Foundation, New

York University, North Shore-LIJ (now Northwell Health), The Rockefeller University, Roswell Park Cancer Institute, Stony Brook University, and IBM. Princeton University has recently joined as an Associate Member.

In addition to its scientific and research mission, the NYGC is also committed to educating researchers, clinicians, students, and the general public through lectures and events on topics ranging from the latest advances in sequencing and bioinformatics to the future of genomics and the accompanying public policy and ethical considerations.

**Ownership:** The NYGC is a not for profit organization.

**Size:** All facilities are located in New York, NY.

**Market:** The vision of NYGC is to transform medical research and clinical care in New York and beyond through the creation of one of the largest genomics research facilities in North America, integrating sequencing, bioinformatics, data management, and genomics research.

**ESD Involvement:** In 2013, the Grantee renovated 140,000 of 170,000 square feet at its leased location in New York City, leaving 30,000 square feet of expansion space. In early 2017, Governor Cuomo announced plans to utilize the unused space to support early-stage life science companies. Funding will be used to renovate and equip the space with common lab equipment for both dry and wet lab research to create a flexible, capital-efficient environment to cut the time and cost of getting innovations to patients. The facility will be operated by Johnson and Johnson Innovation's JLABS, and will allow entrepreneurs to put their capital to work immediately in an optimized, efficient environment resulting in reduced infrastructure costs and centralized management of shared facilities. Without ESD support the project would be unable to move forward. The design and construction of 30,000 square feet of core research facilities and shared administrative space will accommodate up to 30 emerging life science companies.

Past ESD Support: Funding for the past five years to the Grantee, totaling \$57,250,000 million, is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council	Y406	\$1,500,000	July 17, 2014	December 31, 2017	Capital – Renovations, Machinery and Equipment
Special Appropriation	Z319	\$55,750,000	July 17, 2014	December 31, 2017	Capital – Renovations, Machinery and Equipment

**B. The Project**

Completion: September 2018

Activity: The Grantee will renovate and equip the remaining 30,000 square feet of the NYGC with core research facilities, expandable and modular laboratories, and shared administrative space for up to 30 emerging life sciences companies. The renovated facility is intended to support new opportunities for science incubation and research development, and includes the installation of new specialized laboratory equipment, machinery, furniture and fixtures.

The ESD grant is intended as an inducement for NYGC and Johnson & Johnson Innovation (“JNJ”), to enter into a 5-year operating agreement pursuant to which JNJ’s JLABS@NYC (“JLABS”) will operate the facility.

It is expected that JLABS will operate the facility under a model it has successfully used in other jurisdictions. Under that model, JLABS selects occupants, or resident companies drawn from diverse healthcare sectors such as pharmaceuticals, medical devices, and consumer and digital health, and typically range in size from 1 to 10 employees. The JLABS model provides participating startup companies access to educational programming, mentoring opportunities, and dynamic networking events provided by JLABS. Participating JLABS companies are generally exposed to JNJ global network for financing, sourcing and development through events that bring key investors, partners, and advisors on-site to meet

with portfolio-wide companies. These opportunities allow resident companies to connect with the venture capital community, including seed and angel investors. Under its model, JLABS provides participating companies the option to have, at minimum, one JNJ export mentor to assist with the company's development and success.

With respect to the NYC initiative, 11 events have been planned to-date in the New York City area, and over eight hundred individuals have RSVP'd through the JLABS program. ESD staff understands that JLABS plans at least 24 events per year that focus on education and commercialization, and developing the innovators in the ecosystem and the companies within JLABS.

Currently eighteen companies are in the application process, and two companies have been accepted into the JLABS program. Sixteen companies are currently undergoing review for selection. Additionally, JLABS has launched Quick Fire Challenges ("QFC") to crowdsource global teams to answer direct health care needs. As part of its QFC, ESD expects that JLABS will commit capital and space to science teams applying to New York City, and JLABS will award one year of residency at JLABS to at least four companies. Currently twelve companies are in the application process for the QFC. JLABS has actively been recruiting talent across New York City since announcing the partnership with New York State.

**Results:**

The ESD grant will result in the construction of research facilities and shared administrative space for up to 30 emerging life science companies, and provide the following resources: 1) dry and wet laboratories; 2) the latest scientific instrumentation and equipment; and 3) high-tech offices and meeting spaces.

It is expected that JLABS will operate the space to provide 1) at least 24 educational/commercialization events per year; 2) networking events with investors; 3) mentorship opportunities for resident companies; and 4) an operations team to handle day-to-day business needs.

Grantee is required to administer and forward annual specified reporting documents from JNJ to ESD through December 31, 2024 for resident companies including: the number of inquiries/applications by companies for participation in the NYC program; number of companies accepted into the program; number of minority or women owned participating companies; number of JNJ expert days provided; number of events executed in NYS; number of attendees at events and number of speaking engagements in partner events in NYS. Reports will also include the name of the companies and nature of business, company background summary, project description, number of participating company



employees, average salary of participating company employees, capital raises including federal funds, record of new patents, and descriptions of JLABS@NYC support services. Annual reports will demonstrate regional economic impact of active projects. Grantee shall provide all such documentation to ESD, together with an annual report, by no later than February 1st of each year.

Infrastructure  
Investment

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

Grantee Contact: Matthew J. Pelo, Vice President Financial Strategy and Operations  
New York Genome Center  
101 Avenue of the Americas, 7th Floor  
New York, NY 10013  
Phone: (646) 977-7414

ESD Project No.: AC015

Project Team:	Origination	Loretta Beine
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Denise Ross
	Finance	Angela Pitto
	Design & Construction	Joseph Macaluso
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Up to \$17,000,000 will be deposited as set forth below, into an account (the "IMPREST Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the IMPREST Account, from the time of deposit and until disbursed from such account in accordance with terms approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. Funds from the IMPREST Account will be used during the course of facility construction and fit-out. ESD shall be provided with copies of all account statements and reports in accordance with the reporting requirement. Interest earned on the funds deposited in the IMPREST

Account must be returned to ESD quarterly.

- a. An Initial Advance of \$1,000,000 will be deposited as an advance into the IMPREST Account upon execution of a Grant Disbursement Agreement and upon ESD's receipt of a completed Capital Grant Payment Requisition Form requesting the Initial Advance and other documentation as ESD requires. The Grantee may, no more frequently than monthly, seek authorization to release funds from the IMPREST Account to pay for invoices due and payable for construction/renovation, professional services work, machinery and equipment acquisition, furniture, fixtures and equipment and IT infrastructure, in compliance with ESD Design and Construction requirements, assuming all project approvals have been completed and funds are available. Each subsequent disbursement request from the IMPREST Account will include the current month's invoices and proof of payment for invoices submitted for the previous month.
- b. A Second Advance of \$8,500,000 will be deposited as an additional advance in the IMPREST Account upon full documentation of eligible expenditures of at least 85% of the Initial Advance (\$850,000). The Grantee may, no more frequently than monthly, seek authorization to release funds from the IMPREST Account to pay for invoices due and payable for construction/renovation, professional services, machinery and equipment acquisition, furniture, fixtures and equipment and IT infrastructure and fit-out, in compliance with ESD Design and Construction requirements, assuming all project approvals have been completed and funds are available. Each subsequent disbursement request from the IMPREST Account will include the current month's invoices and proof of payment for invoices submitted for the previous month.
- c. A Final Advance of \$7,500,000 will be deposited as an additional advance in the IMPREST Account upon full documentation of eligible expenditures of 100% of the initial advance and at least 75% of the Second Advance (\$6,375,000). The Grantee may, no more frequently than monthly, seek authorization to release funds from the IMPREST Account to pay for invoices due and payable for construction/renovation, professional services, machinery and equipment acquisition, furniture, fixtures and equipment and IT infrastructure and fit-out, in compliance with ESD Design and Construction requirements, assuming all project approvals have been completed and funds are available. Each subsequent disbursement request from the IMPREST Account will include the current month's invoices and proof of payment for invoices submitted for the previous month.

Payments will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures reimbursed by ESD's grant must be incurred on or after January 1, 2017 to be considered eligible project costs.

The final goals of this project, including specific metrics to measure JLABS annual performance, shall be specified in the Grant Disbursement Agreement, as applicable.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$17,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
5. If the operating agreement between Grantee and JNJ terminates less than five (5) years after JLABS@NYC takes occupancy (anticipated on or before June 30, 2018), Grantee must demonstrate to ESD's reasonable satisfaction within six (6) months thereafter that i) Grantee has expanded its own mission-related activities into the space, ii) entered into an agreement with a third party reasonably acceptable to ESD to operate the space as a life sciences incubator for at least the remainder of JLABS@NYC initial five-year term of occupancy, or iii) subleased or assigned the space to one or more life science companies or organizations reasonably satisfactory to ESD for a period no less than the remainder of JLABS@NYC's initial five-year term of occupancy. If Grantee fails to satisfy this requirement, ESD may identify a third party to assume operation of the incubator and require Grantee to contract with such operator for a period equal to the remainder of JLABS@NYC's initial five-year term (or such longer period as Grantee agrees), under terms substantially similar the terms in Grantee's agreement with JNJ and subject to approval of the agreement by Grantee's landlord. If ESD finds the operator is substantially non-compliant, or a new operator cannot be found, or would require additional government funding, title to the assets would revert to ESD.

#### IV. Statutory Basis – Life Sciences Initiative Fund

The funding was authorized in the 2017-2018 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Design and Construction

ESD staff will review the project budget, plans, and specifications, along with the other documents that ESD may require for scheduled payment projects. Submission of Payment Requisitions to ESD will be made according to disbursement terms outlined in the Grant Disbursement Agreement.

#### 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 and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the eligible categories totaling approximately \$11,790,448. As such, the overall MWBE utilization goal shall be no less than \$3,537,134.

VIII. ESD Employment Policy

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

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

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

X. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Finance Memorandum

July 27, 2017

New York (New York City Region – New York County) – New York Genome Center Life Science Capital – Life Sciences Initiative 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 New York Genome Center Life Science Capital – Life Sciences Initiative 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 New York Genome Center a grant for a total amount not to exceed Seventeen Million Dollars (\$17,000,000) from the Life Sciences Initiative 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

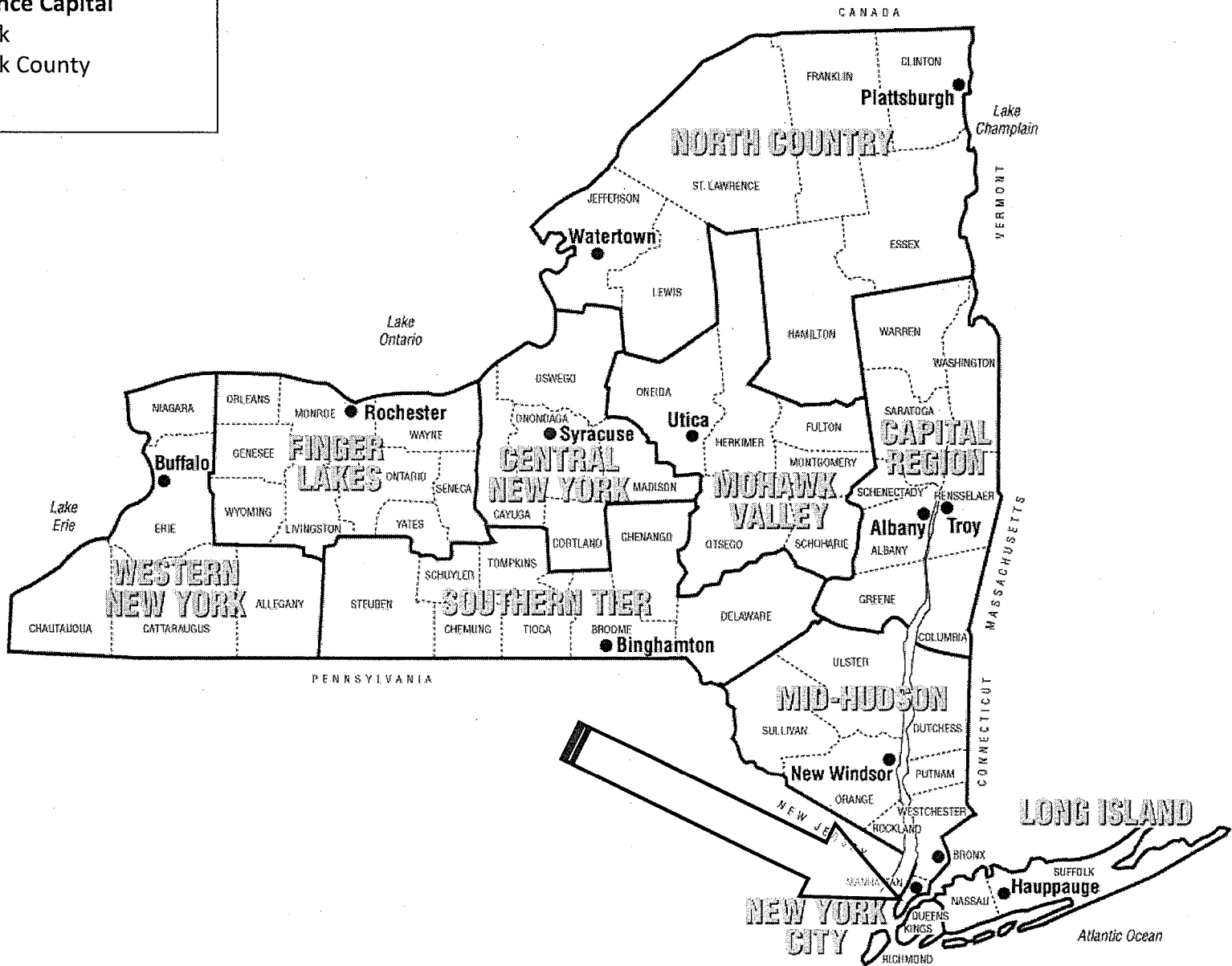
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

\* \* \*

New York Genome Center  
Life Science Capital  
New York  
New York County



**Item II. K.**





**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New NY Broadband Program – Phase 2 Awards, New NY Broadband 2015-16 Capital Fund – Consent Calendar

**REQUEST FOR:** Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions

**General Project Plan**

**I. Project Summary**

**New NY Broadband Program - 2015-16 Capital Fund**

	<b>PTS #</b>	<b>Project Sponsor</b>	<b>Name of Project</b>	<b>Service Area</b>	<b>Region</b>	<b>Assistance Up To</b>
A	AB858	CSC Holdings, LLC (d/b/a Altice USA)	Barrier Beach Broadband Capital	Additional Service Area (ASA)	Long Island Region	\$867,281
B	AB859	Armstrong Telephone Company	ATC Phase 2 Broadband Capital	Unserved	Southern Tier and Western NY Regions	\$13,204,315
C	AB860	Armstrong Telecommunications, Inc.	ATI Phase 2 Area 1 Broadband Capital	Unserved	Finger Lakes, Southern Tier, and Western NY Regions	\$15,770,106
D	AB861	Armstrong Telecommunications, Inc.	ATI Phase 2 Area 2 Broadband Capital	Unserved	Western NY Region	\$12,236,307
E	AB862	Armstrong Telecommunications, Inc.	ATI Phase 2 Area 3 Broadband Capital	Underserved	Western NY Region	\$6,560,242
						<b>\$48,638,251</b>

## II. Program Description

### A. Background

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

Access to broadband is a necessity for the continued economic success of New York State. Yet, despite their urgent need for broadband, approximately 2.5 million Housing Units in New York State have either limited or no access to high-speed internet, creating a digital divide between those communities with the ability to participate in the global economy, and those communities without such access.

It is for this reason that Governor Andrew M. Cuomo, with legislative support, established the \$500 million New NY Broadband Program (the Program), the largest and most ambitious State investment in broadband across the nation. The Program will support broadband deployment to Unserved and Underserved areas of the State, at Internet speeds of at least 100 megabits per second (Mbps) (download) in most places, and 25 Mbps (download) in the most remote parts of the State. Projects funded by the Program must provide "last-mile" broadband access (*i.e.*, projects that provide Internet connections directly to New Yorkers), including middle-mile and other connectivity to deliver last-mile services. The last-mile is the most expensive portion of a broadband network, and often prevents many rural residents from receiving broadband service, even when service is available to nearby homes.

Funding recipients for the Program are selected through a "reverse-auction" methodology, which awards projects to qualifying applicants seeking the lowest amount of State investment on a Unit-served basis.

The Program's initial round of grant awards (Phase 1) was announced in August 2016 – 25 projects representing a total public/private investment of approximately \$75.8 million: \$54.2 million in State funding, and \$21.6 million in private funding. Empire State Development's Broadband Program Office (the "BPO") accepted applications for the Program's second funding round (Phase 2) through the NYS Consolidated Funding Application ("CFA"), beginning October 17, 2016. The CFA closed, with final applications due, on November 30, 2016. On February 28, 2017, the State announced its Phase 2 awards - 54 projects representing a total public/private investment of approximately \$268 million: \$211.8 million in State funding, and \$56.2 million in private funding.

### B. The Project

See attached Consent and Directors Affirmation Materials.

### III. Statutory Basis

The Program was authorized in the FY 2015-16 New York State enacted budget, and re-appropriated in the 2017-2018 New York State Budget. No residential relocation is required as there are no families or individuals residing on the site.

### IV. Environmental Review

Unless otherwise noted in the consent materials, 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. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), ESD's Smart Growth Advisory Committee has reviewed a Smart Growth Impact Statement for these New NY Broadband Program Phase 2 projects and determined that the projects are consistent with the State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria"). The designee of the Chief Executive Officer of the Corporation has attested that the projects, to the extent practicable, meet the relevant Smart Growth Criteria set forth in the SG Act.

### 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 in the performance of ESD contracts. Accordingly, ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to 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. The purpose of the grants is to extend broadband service meeting the Program's requirements to areas lacking such service. Progress will be measured based on the deployment of service to Census Blocks, households, and other locations.

### 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

Project Summaries

July 27, 2017

New NY Broadband Program – Phase 2 Awards, New NY Broadband 2015-16 Capital Fund - Consent Calendar – 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 New NY Broadband Program projects identified below (the "Projects"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the 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 "Plans") for the Projects 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, 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 Designate 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 Designate 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 New NY Broadband 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, 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 grant 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;

New NY Broadband Program – 2015-16 Capital Fund

	<b>PTS #</b>	<b>Project Sponsor</b>	<b>Name of Project</b>	<b>Service Area</b>	<b>Region</b>	<b>Assistance Up To</b>
A	AB858	CSC Holdings, LLC (d/b/a Altice USA)	Barrier Beach Broadband Capital	Additional Service Area (ASA)	Long Island Region	\$867,281
B	AB859	Armstrong Telephone Company	ATC Phase 2 Broadband Capital	Unserved	Southern Tier and Western NY Regions	\$13,204,315
C	AB860	Armstrong Telecommunications, Inc.	ATI Phase 2 Area 1 Broadband Capital	Unserved	Finger Lakes, Southern Tier, and Western NY Regions	\$15,770,106
D	AB861	Armstrong Telecommunications, Inc.	ATI Phase 2 Area 2 Broadband Capital	Unserved	Western NY Region	\$12,236,307
E	AB862	Armstrong Telecommunications, Inc.	ATI Phase 2 Area 3 Broadband Capital	Underserved	Western NY Region	\$6,560,242
						<b>\$48,638,251</b>

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. Barrier Beach Broadband Capital (AB858)**

July 27, 2017

General Project Plan

- Grantee:** CSC Holdings, LLC (d/b/a Altice USA) (“Altice” or the “Company”)
- ESD Investment:** A grant of up to \$867,281 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Long Island Region of New York State.
- Project Location:** Suffolk County  
Please reference the Project Footprint outlined in Table B
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Long Island Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in June of 2017. The project is consistent with the Regional Plan[s] to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region[s].

**Background:**

Industry - Internet Service Provider (ISP); Business Corporation

Company History - On September 17, 2015, Netherlands-based Altice NV announced its intention to acquire Long Island-based Cablevision for \$17.7 billion. The deal was approved by the FCC on May 3, 2016 and after approval from various regional regulators such as New Jersey's Board of Public Utilities and the New York Public Service Commission, closed on June 21, 2016.

Ownership – Altice USA (NYSE: ATUS) is the U.S. business of Altice N.V. (Euronext: ATC, ATCB).

Size – Provides video, voice and Internet service to over 230 communities in New York State including all of the Bronx, Suffolk, Nassau, and Rockland counties and parts of Brooklyn (Kings), Westchester, Putnam, Dutchess, Ulster and Orange counties.

Market – Access to the Internet can be achieved by a number of different technologies.

The definition of broadband is determined by the data transmission speeds in both directions. "Download speeds" refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files through email, stream video, or use cloud-based services. Upload speeds refer to the speeds at which data is transmitted by an Internet user to another user, to a website, or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical connection (through Fiber or Cable-based lines) to provide connectivity. Wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

ESD Involvement - In 2015, New York State (the "State") created a \$500 million initiative, the New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with high-speed Internet (broadband) access by the end of 2018. Program funds will be awarded to advance the State's goal of statewide broadband access at speeds of at least 100 Mbps (download) in most places, and 25 Mbps (download) in the most remote parts of the State. The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download).

Funding recipients for the Program are selected through a "reverse-auction" methodology, which awards projects to qualifying applicants seeking the lowest amount of State investment on a Unit-served basis.

The Program's initial round of grant awards (Phase 1) was announced in August 2016 – 25 projects representing a total public/private investment of approximately \$75.8 million: \$54.2 million in State funding, and \$21.6 million in private funding. Empire State Development's Broadband Program Office (the "BPO") accepted applications for the Program's second funding round (Phase 2) through the NYS Consolidated Funding Application ("CFA"), beginning October 17, 2016. The CFA closed, with final applications due, on November 30, 2016. On February 28, 2017, the State announced its Phase 2 awards - 54 projects representing a total public/private investment of approximately \$268 million: \$211.8 million in State funding, and \$56.2 million in private funding.



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

**The Project:**

Completion: Network Construction: December 31, 2018  
 Customer Installations: December 31, 2020

Activity - Construction of a hybrid wired/wireless network to bring high speed broadband to certain unserved communities on Long Island.

Results – Expand broadband access to 346 Housing Units (HUs) and 0 Other Units. (See Table A, which describes all Key Project Indicators.)<sup>1</sup>

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$68,407	ESD Grant	\$867,281	80%
Outside Plant Costs	\$606,555	Company Equity	\$108,410.20	10%
Tower Costs	\$173,998	Additional Financial Commitment	\$108,410.80	10%
Drop and Eligible Customer Premises Equipment	\$56,699			
Professional Services (not included elsewhere)	\$124,997			
Testing	\$53,446			
<b>Total Project Costs</b>	<b>\$1,084,102</b>	<b>Total Project Financing</b>	<b>\$1,084,102</b>	<b>100%</b>

Grantee Contact - Dan Ahouse, Area Director, Government Affairs  
 6 Executive Plaza  
 Yonkers, NY 10701  
 Phone: (914) 378-4533

Project Team -

Origination	Beverly Bobb
Project Management	Beverly Bobb
Contractor & Supplier Diversity	Danah Alexander
Finance	
Environmental	Soo Kang

<sup>1</sup> Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office's estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

## **Financial Terms and Conditions:**

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. **Grantee Co-Investment:** The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Recipient will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. 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.
5. Up to \$867,281 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; 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 meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach – to a degree acceptable to ESD – project milestones, as agreed upon in Table A, which lists key indicators for infrastructure work; Table B, which captures the Project's footprint; and Table C, which lists the major network build-out phases and quarterly milestones of the entire project.

Expenses must be incurred on or after March 8, 2017, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require

compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 2 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2018. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2019.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2021.
8. Grant Funds are to be used for the following:
  - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
    - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
    - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
    - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
  - (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
  - (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or

areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible

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

9. Eligible Expense Categories include but are not limited to the following:

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

categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.

10. Ineligible Expenses included but are not limited to the following:
  - (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
  - (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
  - (iii) Operating expenses of the Grantee will not be funded.
  - (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.
  
11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$867,281 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.
  
12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.
  - (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
    - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
    - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
    - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
    - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
    - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
    - vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;

- vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements

13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.

14. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the project area.

15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

**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 – New NY Broadband Program:**

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

**Additional Submissions to Directors:**

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

**Table A: Key Project Indicators**

The following table lists the key indicators, which must be met upon completion of this project. Indicators will be required to be reported on a monthly basis.

<b>KEY PROJECT INDICATORS</b>	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
<b>Basic Project Information</b>	
Project Name	Barrier Beach Broadband Capital
Project ID Number	AB858
Contact Name	Dan Ahouse
Contact Number	(914) 378-4533
Website	http://alticeusa.com
Email	dan.ahouse@alticeusa.com
Company	CSC Holdings, LLC (d/b/a Altice USA)
REDC(s)	Long Island Region
County(ies)	Suffolk County
NYS Assembly District #s	9
NYS Senate District #s	4
U.S. Congressional District #s	2
Total Census Blocks to be passed by project	25
Total Units to be passed by project	346
Total Project Cost (state + private)	\$1,084,102
Total Applicant Private Match	\$216,821
Total Grant Amount (\$)	\$867,281
Max speeds offered (download/upload)	100 Mbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Additional Service Area (ASA)
<b>Monthly Project Questions</b>	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress



Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
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<b>Indicator - Project Service Area</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
Housing Units Passed	346
Other Units Passed	0
<b>TOTAL</b> Units Passed	346
<b>ENTIRE</b> Census Blocks Passed***	25
<b>Indicator - Customer Connections</b>	<b># Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	Not Available
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	Not Available
<b>Indicator - Network Infrastructure Deployed</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
New Network Miles Deployed	1.2
Existing Network Miles Upgraded	5.3
Number of Miles of New Fiber	6.5
Number of Towers Connected	3
Number of New Interconnection Points	1
Number of Wireless Hotspots	0
<b>Indicator - Project Expenditures</b>	<b>Proposed for Project \$</b>
MWBE expenditures	\$260,184.30
Eligible Project Expenditures (\$) Made	\$867,281
Private Match (\$)	\$216,821

<b>Speed Tiers &amp; Pricing [Write N/A if No Speed Tiers Currently Offered]</b>	<b>Max Download Speed Offered</b>
Type - Residential, Commercial, or Other	
N/A	100 Mbps

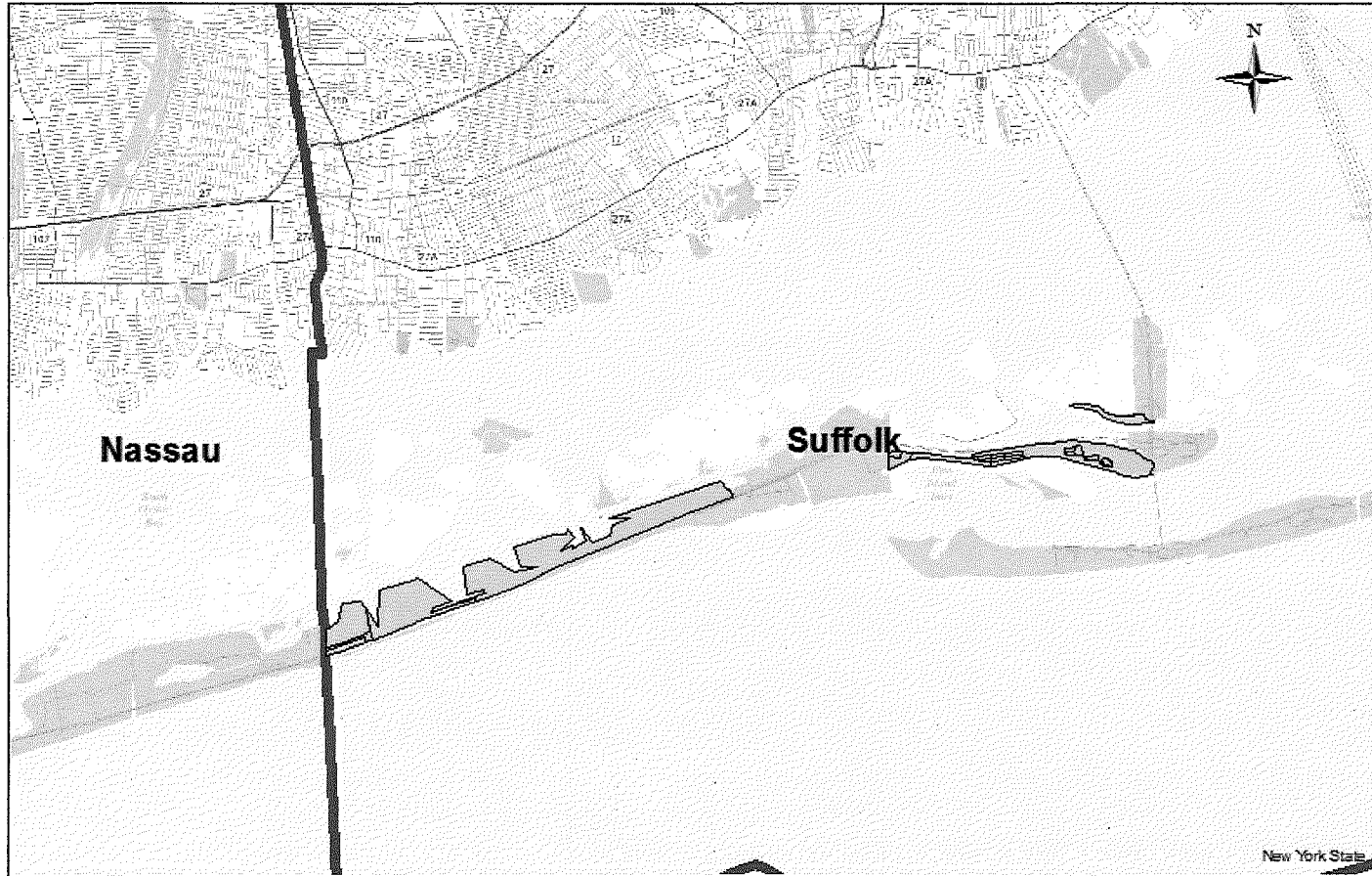
<b>Network Construction Completion Date:</b>	December 31, 2018
<b>Customer Installations Completion Date:</b>	December 31, 2020
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary	

documentation

**\*\*\*Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part.**

**Table B: Project Footprint**

**CSC Holdings, LLC (d/b/a Altice USA) AB858**



**Legend**

■ CFA 69890 Awarded Census Blocks

**Table C: Project Milestones**

<b>Project Milestones</b>
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by <b>12/31/2018</b> . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational
<b>Project Start Date</b> <u>7/1/17</u> <b>Projected Completion Date</b> <u>12/30/18</u> <b>Projected # of Milestone Reports</b> <u>6</u>

<b>Time Period</b>	<b>Quarter</b>	<b>Milestones</b>	<b>Narrative Explanation (If Any)</b>
Year 1	Qtr. 1		
	Qtr. 2		
	Qtr. 3	Complete engineering studies for underground, towers and cabinet placements	
	Qtr. 4	Install wireless links, install underground conduit, install remote OLT cabinets	
Year 2	Qtr. 1	Run aerial fiber optic FTTH cabling	
	Qtr. 2	Continue aerial fiber optic FTTH cabling	
	Qtr. 3	Turn up / testing	
	Qtr. 4	Plant certification	

## B. ATC Phase 2 Broadband Capital (AB859)

July 27, 2017

### General Project Plan

- Grantee:** Armstrong Telephone Company (“Armstrong” or the “Company”)
- ESD Investment:** A grant of up to \$13,204,315 to be used for a portion of the cost to expand broadband coverage to the Unserved communities in the Southern Tier and Western NY Regions of New York State.
- Project Location:** Steuben and Allegany Counties  
Please reference the Project Footprint outlined in Table B
- Proposed Project:** Installation or upgrade of broadband networks to expand broadband access and increase capacity
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Southern Tier and Western NY Regional Economic Development Councils have been made aware of this item. The Incentive Proposal was accepted in July 2017. The project is consistent with the Regional Plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the regions.
- Background:**

Industry - Internet Service Provider (“ISP”); Business Corporation

Company History - Founded in 1946, what is now known as the Armstrong Group began life as Armstrong County Line Construction, contracting work for power and telephone utilities in Western Pennsylvania. Armstrong Telephone Company owns and operates independent telephone companies in West Virginia, Maryland, Pennsylvania and New York, providing customers with local and long distance services, digital calling features and DSL Internet service. Throughout the years, Armstrong has upgraded and added new services and features, hanging miles of fiber and installing digital switches.

Ownership - Privately held; the Armstrong Group is a diversified, family owned and operated business.

Size - The Armstrong Group employs over 2,300 people across the nation.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. “Download speeds” refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files

through email, stream video, or use cloud-based services. Upload speeds refer to the speeds at which data is transmitted by an Internet user to another user, to a website, or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical connection (through Fiber or Cable-based lines) to provide connectivity. Wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

ESD Involvement - In 2015, New York State (the "State") created a \$500 million initiative, the New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with high-speed Internet (broadband) access by the end of 2018. Program funds will be awarded to advance the State's goal of statewide broadband access at speeds of at least 100 Mbps (download) in most places, and 25 Mbps (download) in the most remote parts of the State. The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download).

Funding recipients for the Program are selected through a "reverse-auction" methodology, which awards projects to qualifying applicants seeking the lowest amount of State investment on a Unit-served basis.

The Program's initial round of grant awards (Phase 1) was announced in August 2016 – 25 projects representing a total public/private investment of approximately \$75.8 million: \$54.2 million in State funding, and \$21.6 million in private funding. Empire State Development's Broadband Program Office (the "BPO") accepted applications for the Program's second funding round (Phase 2) through the NYS Consolidated Funding Application ("CFA"), beginning October 17, 2016. The CFA closed, with final applications due, on November 30, 2016. On February 28, 2017, the State announced its Phase 2 awards - 54 projects representing a total public/private investment of approximately \$268 million: \$211.8 million in State funding, and \$56.2 million in private funding.

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)	Purpose
New NY Broadband 15-16 Capital (Phase 1)	AB152	\$1,778,256	12/15/16	12/31/18	Capital Grant – Installation of high-speed broadband infrastructure

**The Project:**

Completion: Network Construction: 5/31/2018  
Customer Installations: 5/31/2020

Activity - The Company will deploy a FTTH network offering broadband services to customers within the Project's service area. All customers will be offered 100 Mbps service, with a maximum speed service up to 300 Mbps for residential customers, and a maximum speed service up to 400 Mbps for business customers.

Results – Expand broadband access to 1,602 Housing Units (HUs) and 52 Other Units. (See Table A, which describes all Key Project Indicators.)<sup>2</sup>

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$1,679,673	ESD Grant	\$13,204,315	78%
Outside Plant Costs	\$14,560,006	Company Equity	\$1,703,522	10%
Tower Costs	---	Additional Financial Commitment	\$2,127,387	12%
Building and Land Costs	\$228,272			
Drop and Eligible Customer Premises Equipment	\$567,273			
<b>Total Project Costs</b>	<b>\$17,035,224</b>	<b>Total Project Financing</b>	<b>\$17,035,224</b>	<b>100%</b>

Grantee Contact - Shawn Beqaj, Vice President  
One Armstrong Place  
Butler, PA 16001

<sup>2</sup> Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office's estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

Phone: (724) 283-0925

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Edwina Telemaque
	Finance	Angela Pitto
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Recipient will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. 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.
5. Up to \$13,204,315 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; 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 meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach – to



a degree acceptable to ESD – project milestones, as agreed upon in Table A, which lists key indicators for infrastructure work; Table B, which captures the Project’s footprint; and Table C, which lists the major network build-out phases and quarterly milestones of the entire project.

Expenses must be incurred on or after March 8, 2017, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 2 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than May 31, 2018. All disbursements in connection with design and construction of the Project must be requested by no later than May 31, 2019.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than May 31, 2021.
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- iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
- (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
- (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
- (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
- (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
  - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
  - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.

9. Eligible Expense Categories include but are not limited to the following:

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- (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly

related to providing broadband service to the funded Service Area.

- (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
- (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
- (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
- (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.

10. Ineligible Expenses included but are not limited to the following:

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

11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$13,204,315, 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.

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

- (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
  - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
  - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;

- iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
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- viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements

13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.

14. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.

15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default

from ESD.

**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 – New NY Broadband Program:**

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

**Additional Submissions to Directors:**

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

**Table A: Key Project Indicators**

The following table lists the key indicators, which must be met upon completion of this project. Indicators will be required to be reported on a monthly basis.

<b>KEY PROJECT INDICATORS</b>	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
<b>Basic Project Information</b>	
Project Name	ATC Phase 2 Broadband Capital
Project ID Number	AB859
Contact Name	Shawn Beqaj
Contact Number	(724) 283-0925
Website	<a href="http://armstrongonewire.com/">http://armstrongonewire.com/</a>
Email	sbeqaj@agoc.com
Company	Armstrong Telephone Company
REDC(s)	Southern Tier and Western NY Regions
County(ies)	Steuben and Allegany Counties
NYS Assembly District #s	132, 148
NYS Senate District #s	58, 57
U.S. Congressional District #s	23
Total Census Blocks to be passed by project	256
Total Units to be passed by project	1,654
Total Project Cost (state + private)	\$17,035,224
Total Applicant Private Match	\$3,830,909
Total Grant Amount (\$)	\$13,204,315
Max speeds offered (download/upload)	500/500Mbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
<b>Monthly Project Questions</b>	
Is your Project On Time? (Yes/No*)	To be answered during project progress

Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress

<b>Indicator - Project Service Area</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
Housing Units Passed	1,602
Other Units Passed	52
<b>TOTAL</b> Units Passed	1,654
Census Blocks Passed***	256
<b>Indicator - Customer Connections</b>	<b># Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	66.97
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	86.25
<b>Indicator - Network Infrastructure Deployed</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
New Network Miles Deployed	565
Existing Network Miles Upgraded	460
Number of Miles of New Fiber	565
Number of Towers Connected	2
Number of New Interconnection Points	35
Number of Wireless Hotspots	N/A
<b>Indicator - Project Expenditures</b>	<b>Proposed for Project \$</b>
MWBE expenditures	\$3,961,294.50
SDVOB expenditures	N/A
Eligible Project Expenditures (\$) Made	\$13,204,315
Private Match (\$)	\$3,830,909

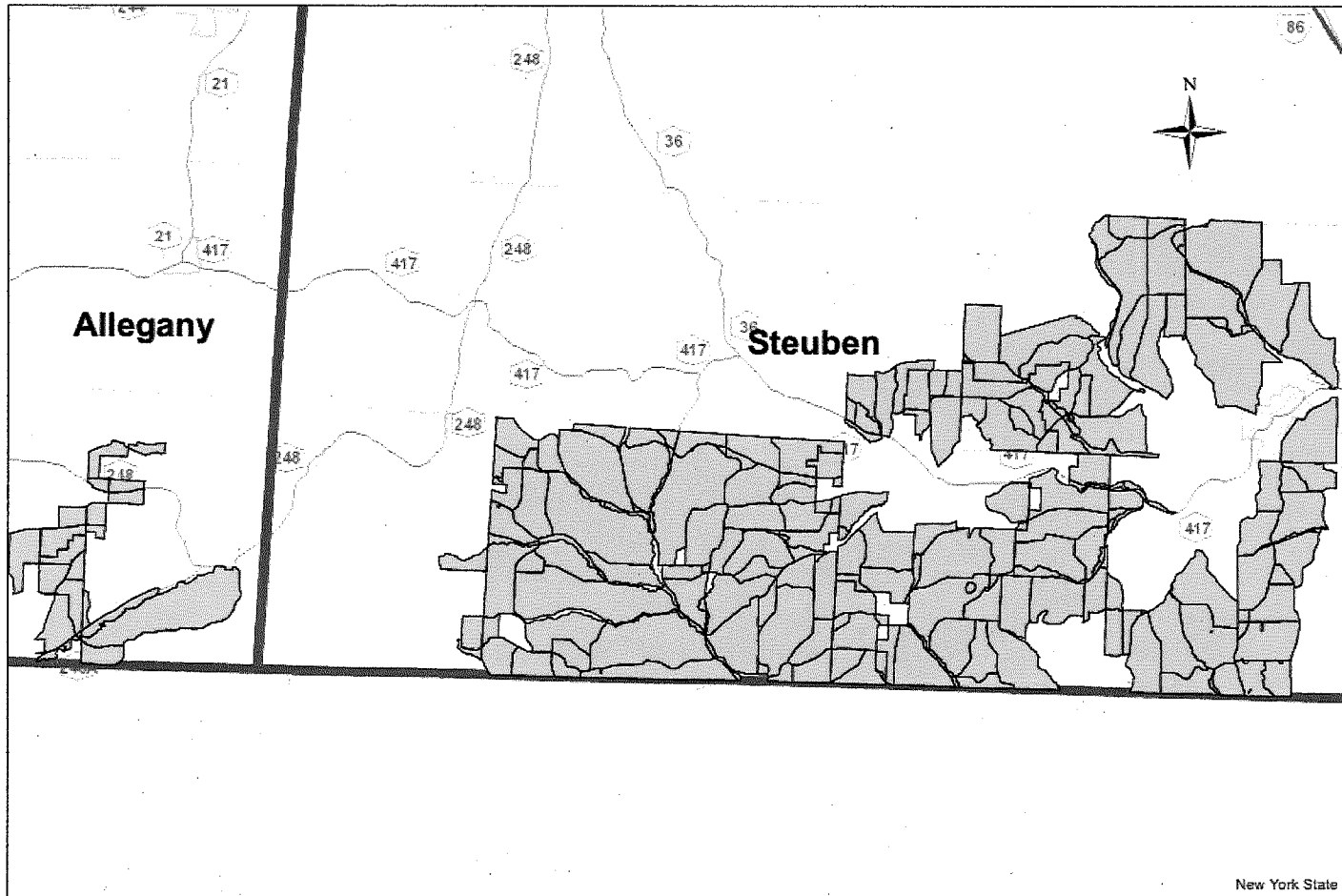
<b>Speed Tiers &amp; Pricing [Write N/A if No Speed Tiers Currently Offered]</b>	<b>Max Download Speed Offered</b>
Type - Residential, Commercial, or Other [Please Specify]	x
Residential	25/4 Mbps - \$60.00 100/100 Mbps- \$69.95 500/500 Mbps -\$99.95
Commercial	N/A

<b>Network Construction Completion Date:</b>	5/31/2018
<b>Customer Installations Completion Date:</b>	5/31/2020
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	



**Table B: Project Footprint**

**Armstrong Telephone Company AB859**



**Legend**

■ CFA 69545 Awarded Census Blocks

**Table C: Project Milestones**

<b>Project Milestones</b>		
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by <b>May 31, 2018</b> . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational		
<b>Project Start Date: TBD</b>	<b>Projected Completion Date: May 31, 2018</b>	<b>Projected # of Milestone Reports:</b>

<b>Time Period</b>	<b>Quarter</b>	<b>Milestones</b>	<b>Narrative Explanation (If Any)</b>
Year 1	Qtr. 1	Fielding	Pole data collection, applications and make ready
	Qtr. 2	Design, Material procurement, staging and Construction	
	Qtr. 3	Transport, distribution, splicing, and activation	
	Qtr. 4	Transport, distribution, splicing, and activation	
Year 2	Qtr. 1	Transport, distribution, splicing, and activation	
	Qtr. 2	Transport, distribution, splicing, and activation	
	Qtr. 3	Transport, distribution, splicing, and activation	
	Qtr. 4	Transport, distribution, splicing, and activation	

## C. ATI Phase 2 Area 1 Broadband Capital (AB860)

July 27, 2017

### General Project Plan

- Grantee:** Armstrong Telecommunications, Inc. ("ATI" or the "Company")
- ESD Investment:** A grant of up to \$15,770,106 to be used for a portion of the cost to expand broadband coverage to the Unserved communities in the Finger Lakes, Southern Tier and Western NY Regions of New York State.
- Project Location:** Livingston, Wyoming, Steuben, and Allegany Counties  
Please reference the Project Footprint outlined in Table B
- Proposed Project:** Installation or upgrade of broadband networks to expand broadband access and increase capacity
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Finger Lakes, Southern Tier, and Western NY Regional Economic Development Councils have been made aware of this item. The Incentive Proposal was accepted in July 2017. The project is consistent with the Regional Plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the regions.

### **Background:**

Industry - Internet Service Provider ("ISP"); Business Corporation

Company History - Armstrong Telecommunications, Inc. ("ATI") was formed as the wholly owned subsidiary to the Armstrong Group of Companies in September 2001. Armstrong is one of the oldest multi-disciplined telecommunications providers in the country, with operations in five states, including New York. ATI is the CLEC subsidiary through which the Company provides its telephony operations in footprint outside their incumbent Regional Local Exchange areas.

Ownership - A wholly owned subsidiary of Armstrong Utilities, Inc.

Size - Combined, the Armstrong Group of Companies maintains over 1,000 employees

Market - Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. "Download speeds" refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files through email, stream video, or use cloud-based services. Upload speeds refer to the

speeds at which data is transmitted by an Internet user to another user, to a website, or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical connection (through Fiber or Cable-based lines) to provide connectivity. Wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

ESD Involvement - In 2015, New York State (the "State") created a \$500 million initiative, the New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with high-speed Internet (broadband) access by the end of 2018. Program funds will be awarded to advance the State's goal of statewide broadband access at speeds of at least 100 Mbps (download) in most places, and 25 Mbps (download) in the most remote parts of the State. The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download).

Funding recipients for the Program are selected through a "reverse-auction" methodology, which awards projects to qualifying applicants seeking the lowest amount of State investment on a Unit-served basis.

The Program's initial round of grant awards (Phase 1) was announced in August 2016 – 25 projects representing a total public/private investment of approximately \$75.8 million: \$54.2 million in State funding, and \$21.6 million in private funding. Empire State Development's Broadband Program Office (the "BPO") accepted applications for the Program's second funding round (Phase 2) through the NYS Consolidated Funding Application ("CFA"), beginning October 17, 2016. The CFA closed, with final applications due, on November 30, 2016. On February 28, 2017, the State announced its Phase 2 awards - 54 projects representing a total public/private investment of approximately \$268 million: \$211.8 million in State funding, and \$56.2 million in private funding.

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)	Purpose
New NY Broadband 15-16 Capital (Phase 1)	AB151	\$3,930,189	12/15/16	12/31/18	Capital Grant – Installation of high-speed broadband infrastructure

**The Project:**

Completion: Network Construction: 12/31/2018  
Customer Installations: 12/31/2020

Activity - The Company will deploy a FTTH network offering broadband services to customers within the Project's service area. All customers will be offered 100 Mbps service, with a maximum speed service up to 300 Mbps for residential customers, and a maximum speed service up to 400 Mbps for business customers.

This grant is one of three funding awards that will be considered for approval at the June 2017 ESD Board Meeting; one other award involves broadband expansion to Unserved areas, and one award involves broadband expansion to Underserved areas.

Results – Expand broadband access to 3,934 Housing Units (HUs) and 118 Other Units. (See Table A, which describes all Key Project Indicators.)<sup>3</sup>

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$356,799	ESD Grant	\$15,770,106	80%
Outside Plant Costs	\$16,400,912	Company Equity	\$1,971,264	10%
Tower Costs	---	Additional Financial Commitment	\$1,971,265	10%
Building and Land Costs	\$1,683,459			
Drop and Eligible Customer Premises Equipment	\$1,271,465			
<b>Total Project Costs</b>	<b>\$19,712,635</b>	<b>Total Project Financing</b>	<b>\$19,712,635</b>	<b>100%</b>

<sup>3</sup> Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office's estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

**Grantee Contact** - Shawn Beqaj, Vice President  
One Armstrong Place  
Butler, PA 16001  
Phone: (724) 283-0925

<b><u>Project Team</u></b> -	Origination	Beverly Bobb
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Angela Pitto
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. **Grantee Co-Investment:** The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Recipient will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. 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.
5. Up to \$15,770,106 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; 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 meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach – to a degree acceptable to ESD – project milestones, as agreed upon in Table A, which lists key indicators for infrastructure work; Table B, which captures the Project's footprint; and Table C, which lists the major network build-out phases and quarterly milestones of the entire project.

Expenses must be incurred on or after March 8, 2017, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 2 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2018. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2019.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2021.
8. Grant Funds are to be used for the following:
  - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
    - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
    - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these

Guidelines.

- iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
- (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
- (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
- (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
- (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
  - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
  - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.

9. Eligible Expense Categories include but are not limited to the following:

- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
- (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
- (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
- (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly



related to providing broadband service to the funded Service Area.

- (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
- (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
- (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
- (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.

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Table B – Project Footprint

Table C – Project Milestones

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Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
<b>Basic Project Information</b>	
Project Name	ATI Phase 2 Area 1 Broadband Capital
Project ID Number	AB860
Contact Name	Shawn Beqaj
Contact Number	(724) 283-0925
Website	http://agoc.com/
Email	sbeqaj@agoc.com
Company	Armstrong Telecommunications, Inc.
REDC(s)	Finger Lakes, Southern Tier, and Western NY Regions
County(ies)	Livingston, Wyoming, Steuben, and Allegany Counties
NYS Assembly District #s	132, 133, 147 & 148
NYS Senate District #s	57, 58 & 59
U.S. Congressional District #s	23 & 27
Total Census Blocks to be passed by project	588
Total Units to be passed by project	4,052
Total Project Cost (state + private)	\$19,712,635
Total Applicant Private Match	\$3,942,529
Total Grant Amount (\$)	\$15,770,106
Max speeds offered (download/upload)	500/500Mbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
<b>Monthly Project Questions</b>	
Is your Project On Time? (Yes/No*)	To be answered during project progress

Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress

<b>Indicator - Project Service Area</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
Housing Units Passed	3,934
Other Units Passed	118
<b>TOTAL</b> Units Passed	4,052
Census Blocks Passed***	588
<b>Indicator - Customer Connections</b>	<b># Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	\$66.97
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	\$86.25
<b>Indicator - Network Infrastructure Deployed</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
New Network Miles Deployed	743
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	743
Number of Towers Connected	0
Number of New Interconnection Points	TBD
Number of Wireless Hotspots	N/A
<b>Indicator - Project Expenditures</b>	<b>Proposed for Project \$</b>
MWBE expenditures	\$4,731,031.80
SDVOB expenditures	N/A
Eligible Project Expenditures (\$) Made	\$15,770,106
Private Match (\$)	\$3,942,529

<b>Speed Tiers &amp; Pricing [Write N/A if No Speed Tiers Currently Offered]</b>	<b>Max Download Speed Offered</b>
Type - Residential, Commercial, or Other [Please Specify]	x
Residential	25/4 Mbps - \$60.00 100/100 Mbps - \$69.95 500/500 Mbps - \$99.95
-	

<b>Network Construction Completion Date:</b>	12/31/2018
<b>Customer Installations Completion Date:</b>	12/31/2020
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	



**Table C: Project Milestones**

<b>Project Milestones</b>			
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by <b>December 31, 2018</b> . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational			
<b>Project Start Date:</b>	<b>TBD</b>	<b>Projected Completion Date:</b>	<b>12/31/2018</b>
		<b>Projected # of Milestone Reports</b>	<b>_____</b>

<b>Time Period</b>	<b>Quarter</b>	<b>Milestones</b>	<b>Narrative Explanation (If Any)</b>
Year 1	Qtr. 1	Fielding	
	Qtr. 2	Design, Material procurement, staging and Construction	
	Qtr. 3	Transport, distribution, splicing, and activation	
	Qtr. 4	Transport, distribution, splicing, and activation	
Year 2	Qtr. 1	Transport, distribution, splicing, and activation	
	Qtr. 2	Transport, distribution, splicing, and activation	
	Qtr. 3	Transport, distribution, splicing, and activation	
	Qtr. 4	Transport, distribution, splicing, and activation	



## D. ATI Phase 2 Area 2 Broadband Capital (AB861)

July 27, 2017

### General Project Plan

- Grantee:** Armstrong Telecommunications, Inc. ("ATI" or the "Company")
- ESD Investment:** A grant of up to \$12,236,307 to be used for a portion of the cost to expand broadband coverage to the Unserved communities in the Western NY Region of New York State.
- Project Location:** Cattaraugus, Chautauqua and Erie Counties  
Please reference the Project Footprint outlined in Table B
- Proposed Project:** Installation or upgrade of broadband networks to expand broadband access and increase capacity
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Western NY Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in July 20, 2017. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region

### **Background:**

Industry - Internet Service Provider ("ISP"); Business Corporation

Company History - Armstrong Telecommunications, Inc. ("ATI") was formed as the wholly owned subsidiary to the Armstrong Group of Companies in September 2001. Armstrong is one of the oldest multi-disciplined telecommunications providers in the country, with operations in five states, including New York. ATI is the CLEC subsidiary through which the Company provides its telephony operations in footprint outside their incumbent Regional Local Exchange areas.

Ownership - A wholly owned subsidiary of Armstrong Utilities, Inc.

Size - Combined, the Armstrong Group of Companies maintains over 1,000 employees

Market - Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. "Download speeds" refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files through email, stream video, or use cloud-based services. Upload speeds refer to the

speeds at which data is transmitted by an Internet user to another user, to a website, or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical connection (through Fiber or Cable-based lines) to provide connectivity. Wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

ESD Involvement - In 2015, New York State (the "State") created a \$500 million initiative, the New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with high-speed Internet (broadband) access by the end of 2018. Program funds will be awarded to advance the State's goal of statewide broadband access at speeds of at least 100 Mbps (download) in most places, and 25 Mbps (download) in the most remote parts of the State. The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download).

Funding recipients for the Program are selected through a "reverse-auction" methodology, which awards projects to qualifying applicants seeking the lowest amount of State investment on a Unit-served basis.

The Program's initial round of grant awards (Phase 1) was announced in August 2016 – 25 projects representing a total public/private investment of approximately \$75.8 million: \$54.2 million in State funding, and \$21.6 million in private funding. Empire State Development's Broadband Program Office (the "BPO") accepted applications for the Program's second funding round (Phase 2) through the NYS Consolidated Funding Application ("CFA"), beginning October 17, 2016. The CFA closed, with final applications due, on November 30, 2016. On February 28, 2017, the State announced its Phase 2 awards - 54 projects representing a total public/private investment of approximately \$268 million: \$211.8 million in State funding, and \$56.2 million in private funding.

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)	Purpose
New NY Broadband 15-16 Capital (Phase 1)	AB151	\$3,930,189	12/15/16	12/31/18	Capital Grant – Installation of high-speed broadband infrastructure

**The Project:**

Completion: Network Construction: 12/31/2018  
Customer Installations: 12/31/2020

Activity - The Company will deploy a FTTH network offering broadband services to customers within the Project's service area. All customers will be offered 100 Mbps service, with a maximum speed service up to 300 Mbps for residential customers, and a maximum speed service up to 400 Mbps for business customers.

This grant is one of three funding awards that will be considered for approval at the June 2017 ESD Board Meeting; one other award involves broadband expansion to Unserved areas, and one award involves broadband expansion to Underserved areas.

Results – Expand broadband access to 4,198 Housing Units (HUs) and 242 Other Units. (See Table A, which describes all Key Project Indicators.)<sup>4</sup>

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$352,322	ESD Grant	\$12,236,307	80%
Outside Plant Costs	\$12,524,377	Company Equity	\$1,529,539	10%

<sup>4</sup> Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office's estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

Tower Costs	---	Additional Financial Commitment	\$1,529,539	10%
Building and Land Costs	\$1,184,544			
Drop and Eligible Customer Premises Equipment	\$1,234,142			
<b>Total Project Costs</b>	<b>\$15,295,385</b>	<b>Total Project Financing</b>	<b>\$15,295,385</b>	<b>100%</b>

**Grantee Contact -** Shawn Beqaj, Vice President  
One Armstrong Place  
Butler, PA 16001  
Phone: (724) 283-0925

**Project Team -**

Origination	Beverly Bobb
Project Management	Beverly Bobb
Contractor & Supplier Diversity	Geraldine Ford
Finance	Angela Pitto
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Recipient will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. 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.
5. Up to \$12,236,307 will be disbursed to Grantee as reimbursement for eligible expenses

incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; 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 meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach – to a degree acceptable to ESD – project milestones, as agreed upon in Table A, which lists key indicators for infrastructure work; Table B, which captures the Project's footprint; and Table C, which lists the major network build-out phases and quarterly milestones of the entire project.

Expenses must be incurred on or after 3/8/2017, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 2 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2018. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2019.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2021.
8. Grant Funds are to be used for the following:
  - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
    - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
    - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe

to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.

- iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
- (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
- (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
- (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
- (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
  - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
  - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.

9. Eligible Expense Categories include but are not limited to the following:

- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
- (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service

terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.

- (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
- (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
- (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
- (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
- (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
- (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.

10. Ineligible Expenses included but are not limited to the following:

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

11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$12,236,307, 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.

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

- (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;

- ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements

13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.

14. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.

15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in



the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

**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 – New NY Broadband Program:**

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

**Additional Submissions to Directors:**

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

**Table A: Key Project Indicators**

The following table lists the key indicators, which must be met upon completion of this project. Indicators will be required to be reported on a monthly basis.

<b>KEY PROJECT INDICATORS</b>	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
<b>Basic Project Information</b>	
Project Name	ATI Phase 2 Area 2 Broadband Capital
Project ID Number	AB861
Contact Name	Shawn Beqaj
Contact Number	(724) 283-0925
Website	http://agoc.com/
Email	sbeqaj@agoc.com
Company	Armstrong Telecommunications, Inc.
REDC(s)	Western NY Region
County(ies)	Cattaraugus, Chautauqua and Erie Counties
NYS Assembly District #s	147, 148 & 150
NYS Senate District #s	57 & 59
U.S. Congressional District #s	23 & 27
Total Census Blocks to be passed by project	511
Total Units to be passed by project	4,440
Total Project Cost (state + private)	\$15,295,385
Total Applicant Private Match	\$3,059,078
Total Grant Amount (\$)	\$12,236,307
Max speeds offered (download/upload)	500/500Mbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
<b>Monthly Project Questions</b>	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress

Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress

<b>Indicator - Project Service Area</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
Housing Units Passed	4,198
Other Units Passed	242
<b>TOTAL Units Passed</b>	<b>4,440</b>
Census Blocks Passed***	511
<b>Indicator - Customer Connections</b>	<b># Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	\$66.97
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	\$86.25
<b>Indicator - Network Infrastructure Deployed</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
New Network Miles Deployed	532
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	532
Number of Towers Connected	0
Number of New Interconnection Points	TBD
Number of Wireless Hotspots	N/A
<b>Indicator - Project Expenditures</b>	<b>Proposed for Project \$</b>
MWBE expenditures	\$3,670,892.10
SDVOB expenditures	N/A
Eligible Project Expenditures (\$) Made	\$12,236,307
Private Match (\$)	\$3,059,078

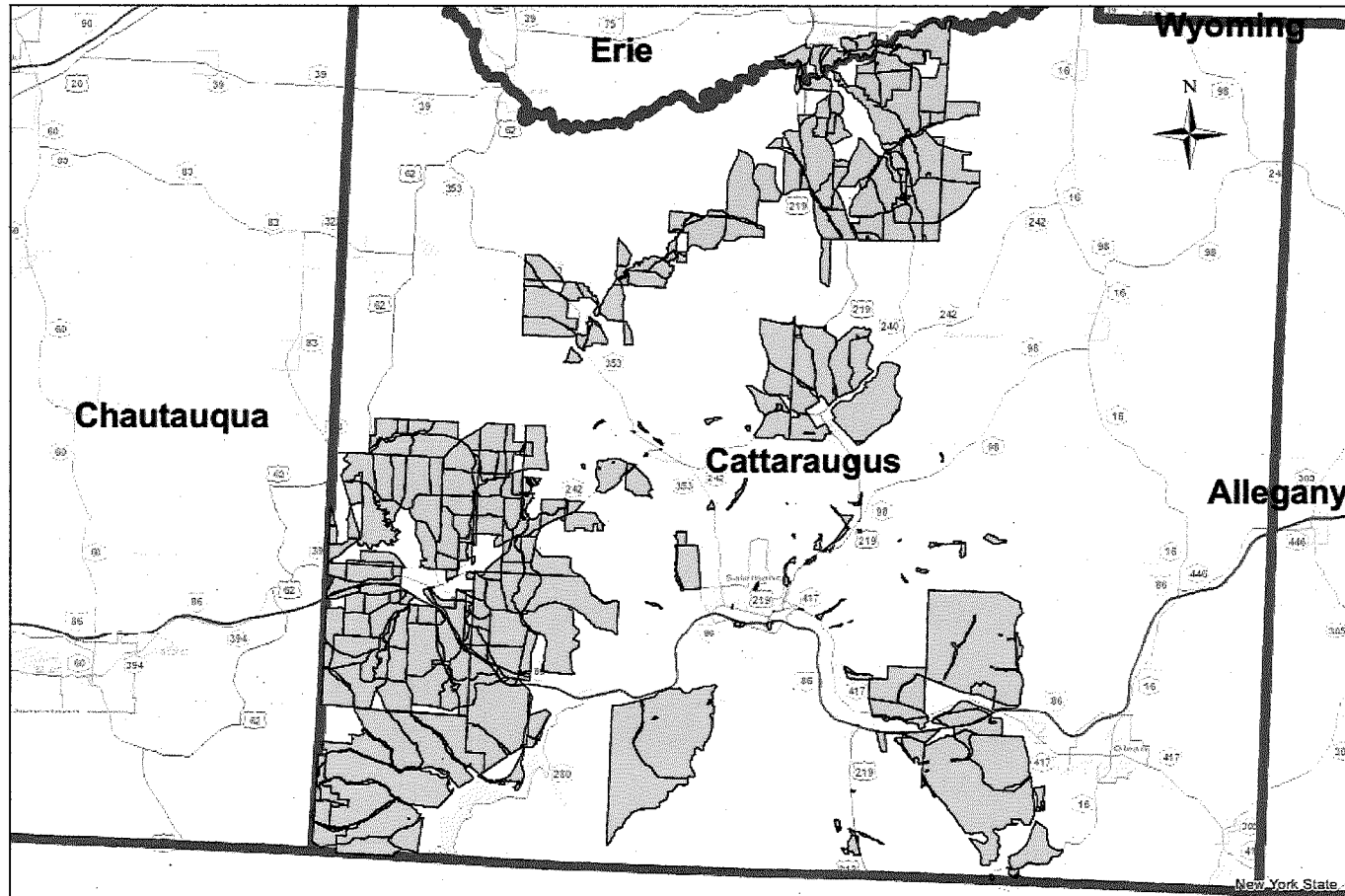
<b>Speed Tiers &amp; Pricing [Write N/A if No Speed Tiers Currently Offered]</b>	<b>Max Download Speed Offered</b>
Type - Residential, Commercial, or Other [Please Specify]	x
Residential	25/4 Mbps - \$60.00 100/100 Mbps - \$69.95 500/500 Mbps- \$99.95
-	

<b>Network Construction Completion Date:</b>	12/31/2018
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<b>Customer Installations Completion Date:</b>	12/31/2020
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	

**Table B: Project Footprint**

**Armstrong Telecommunications, Inc. AB861**



**Legend**

■ CFA 69929 Awarded Census Blocks

**Table C: Project Milestones**

<b>Project Milestones</b>		
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by <b>December 31, 2018</b> . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational		
<b>Project Start Date</b> _____	<b>Projected Completion Date: December 31, 2018</b>	<b>Projected # of Milestone Reports</b> _____

<b>Time Period</b>	<b>Quarter</b>	<b>Milestones</b>	<b>Narrative Explanation (If Any)</b>
Year 1	Qtr. 1	Fielding	
	Qtr. 2	Design, Material procurement, staging and Construction	
	Qtr. 3	Transport, distribution, splicing, and activation	
	Qtr. 4	Transport, distribution, splicing, and activation	
Year 2	Qtr. 1	Transport, distribution, splicing, and activation	
	Qtr. 2	Transport, distribution, splicing, and activation	
	Qtr. 3	Transport, distribution, splicing, and activation	
	Qtr. 4	Transport, distribution, splicing, and activation	

## E. ATI Phase 2 Area 3 Broadband Capital (AB862)

July 27, 2017

### General Project Plan

- Grantee:** Armstrong Telecommunications, Inc. ("ATI" or the "Company")
- ESD Investment:** A grant of up to \$6,560,242 to be used for a portion of the cost to expand broadband coverage to the Underserved communities in the Western NY Region of New York State.
- Project Location:** Cattaraugus County  
Please reference the Project Footprint outlined in Table B
- Proposed Project:** Installation or upgrade of broadband networks to expand broadband access and increase capacity
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Western NY Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in July 2017. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

#### **Background:**

Industry - Internet Service Provider ("ISP"); Business Corporation

Company History - Armstrong Telecommunications, Inc. ("ATI") was formed as the wholly owned subsidiary to the Armstrong Group of Companies in September 2001. Armstrong is one of the oldest multi-disciplined telecommunications providers in the country, with operations in five states, including New York. ATI is the CLEC subsidiary through which the Company provides its telephony operations in footprint outside their incumbent Regional Local Exchange areas.

Ownership - A wholly owned subsidiary of Armstrong Utilities, Inc.

Size - Combined, the Armstrong Group of Companies maintains over 1,000 employees

Market - Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. "Download speeds" refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files through email, stream video, or use cloud-based services. Upload speeds refer to the speeds at which data is transmitted by an Internet user to another user, to a website, or

cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical connection (through Fiber or Cable-based lines) to provide connectivity. Wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

ESD Involvement - In 2015, New York State (the "State") created a \$500 million initiative, the New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with high-speed Internet (broadband) access by the end of 2018. Program funds will be awarded to advance the State's goal of statewide broadband access at speeds of at least 100 Mbps (download) in most places, and 25 Mbps (download) in the most remote parts of the State. The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download).

Funding recipients for the Program are selected through a "reverse-auction" methodology, which awards projects to qualifying applicants seeking the lowest amount of State investment on a Unit-served basis.

The Program's initial round of grant awards (Phase 1) was announced in August 2016 – 25 projects representing a total public/private investment of approximately \$75.8 million: \$54.2 million in State funding, and \$21.6 million in private funding. Empire State Development's Broadband Program Office (the "BPO") accepted applications for the Program's second funding round (Phase 2) through the NYS Consolidated Funding Application ("CFA"), beginning October 17, 2016. The CFA closed, with final applications due, on November 30, 2016. On February 28, 2017, the State announced its Phase 2 awards - 54 projects representing a total public/private investment of approximately \$268 million: \$211.8 million in State funding, and \$56.2 million in private funding.

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)	Purpose
New NY Broadband 15-16 Capital (Phase 1)	AB151	\$3,930,189	12/15/16	12/31/18	Capital Grant – Installation of high-speed broadband infrastructure

**The Project:**

Completion: Network Construction: 12/31/2018  
Customer Installations: 12/31/2020

Activity - The Company will deploy a FTTH network offering broadband services to customers within the Project's service area. All customers will be offered 100 Mbps service, with a maximum speed service up to 300 Mbps for residential customers, and a maximum speed service up to 400 Mbps for business customers.

This grant is one of three funding awards that will be considered for approval at the June 2017 ESD Board Meeting; two other awards involve broadband expansion to Unserved areas.

Results – Expand broadband access to 5,825 Housing Units (HUs) and 574 Other Units. (See Table A, which describes all Key Project Indicators.)<sup>5</sup>

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$509,239	ESD Grant	\$6,560,242	80%
Outside Plant Costs	\$5,587,686	Company Equity	\$820,030	10%
Tower Costs	---	Additional Financial Commitment	\$820,031	10%
Building and Land Costs	\$322,272			
Drop and Eligible Customer Premises Equipment	\$1,781,106			
<b>Total Project Costs</b>	<b>\$8,200,303</b>	<b>Total Project Financing</b>	<b>\$8,200,303</b>	<b>100%</b>

<sup>5</sup> Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office's estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

Grantee Contact - Shawn Beqaj, Vice President  
One Armstrong Place  
Butler, PA 16001  
Phone: (724) 283-0925

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Angela Pitto
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Recipient will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. 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.
5. Up to \$6,560,242 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; 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 meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD

of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach – to a degree acceptable to ESD – project milestones, as agreed upon in Table A, which lists key indicators for infrastructure work; Table B, which captures the Project's footprint; and Table C, which lists the major network build-out phases and quarterly milestones of the entire project.

Expenses must be incurred on or after March 8, 2017, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 2 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2018. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2019.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2021.
8. Grant Funds are to be used for the following:
  - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
    - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
    - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction.

Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.

- iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
- (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
- (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
- (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
- (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
  - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
  - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.

9. Eligible Expense Categories include but are not limited to the following:

- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
- (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
- (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to

existing towers.

- (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
- (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
- (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
- (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
- (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.

10. Ineligible Expenses included but are not limited to the following:

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

11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$6,560,242, 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.

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

- (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
  - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;

- iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements

13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.

14. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.

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

Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

**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 – New NY Broadband Program:**

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

**Additional Submissions to Directors:**

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

**Table A: Key Project Indicators**

The following table lists the key indicators, which must be met upon completion of this project. Indicators will be required to be reported on a monthly basis.

<b>KEY PROJECT INDICATORS</b>	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
<b>Basic Project Information</b>	
Project Name	ATI Phase 2 Area 3 Broadband Capital
Project ID Number	AB862
Contact Name	Shawn Beqaj
Contact Number	(724) 283-0925
Website	<a href="http://agoc.com/">http://agoc.com/</a>
Email	sbeqaj@agoc.com
Company	Armstrong Telecommunications, Inc.
REDC(s)	Western NY Region
County(ies)	Cattaraugus County
NYS Assembly District #s	148
NYS Senate District #s	57
U.S. Congressional District #s	23
Total Census Blocks to be passed by project	323
Total Units to be passed by project	6,399
Total Project Cost (state + private)	\$8,200,303
Total Applicant Private Match	\$1,640,061
Total Grant Amount (\$)	\$6,560,242
Max speeds offered (download/upload)	500/500Mbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Underserved
<b>Monthly Project Questions</b>	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress



Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress

<b>Indicator - Project Service Area</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
Housing Units Passed	5,825
Other Units Passed	574
<b>TOTAL Units Passed</b>	<b>6,399</b>
Census Blocks Passed***	323
<b>Indicator - Customer Connections</b>	<b># Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	\$66.97
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	\$86.25
<b>Indicator - Network Infrastructure Deployed</b>	<b>Total # Proposed for Project (Column Will Not Change Without GDA Amendment)</b>
New Network Miles Deployed	238
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	238
Number of Towers Connected	0
Number of New Interconnection Points	TBD
Number of Wireless Hotspots	N/A
<b>Indicator - Project Expenditures</b>	<b>Proposed for Project \$</b>
MWBE expenditures	\$1,968,072.60
SDVOB expenditures	N/A
Eligible Project Expenditures (\$) Made	\$6,560,242
Private Match (\$)	\$1,640,061

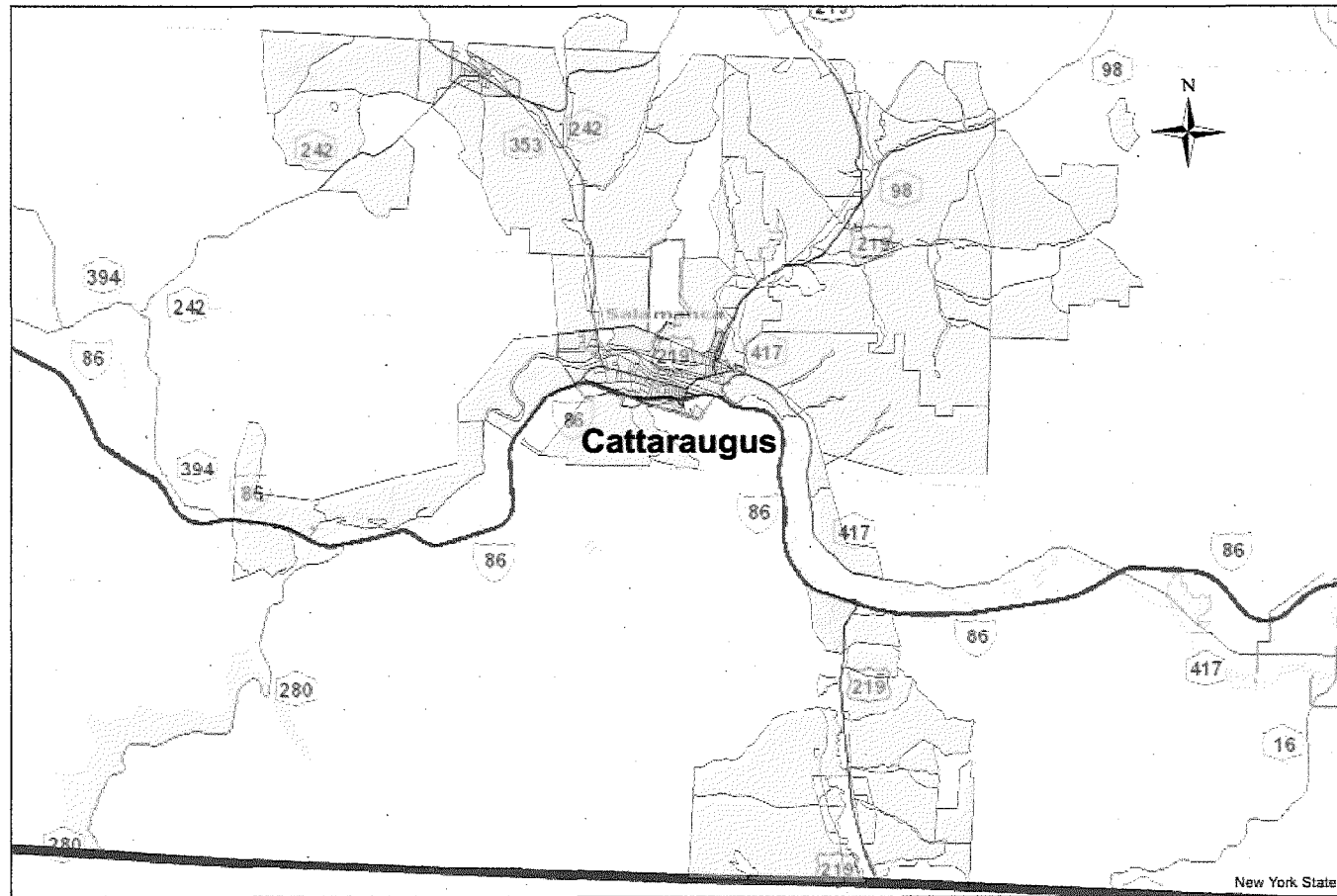
<b>Speed Tiers &amp; Pricing [Write N/A if No Speed Tiers Currently Offered]</b>	<b>Max Download Speed Offered</b>
Type - Residential, Commercial, or Other [Please Specify]	x
Residential	25/4 Mbps - \$60.00 100/100 Mbps - \$69.95 500/500 Mbps - \$99.95
-	

<b>Network Construction Completion Date:</b>	12/31/2018
<b>Customer Installations Completion Date:</b>	12/31/2020

*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	

**Table B: Project Footprint**

**Armstrong Telecommunications, Inc. AB862**



**Legend**

 CFA 70002 Awarded Census Blocks

**Table C: Project Milestones**

<b>Project Milestones</b>		
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by <b>December 31, 2018</b> . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational		
<b>Project Start Date</b> _____	<b>Projected Completion Date: 12/31/2018</b>	<b>Projected # of Milestone Reports</b> _____

<b>Time Period</b>	<b>Quarter</b>	<b>Milestones</b>	<b>Narrative Explanation (If Any)</b>
Year 1	Qtr. 1	Fielding	
	Qtr. 2	Design, Material procurement, staging and Construction	
	Qtr. 3	Transport, distribution, splicing, and activation	
	Qtr. 4	Transport, distribution, splicing, and activation	
Year 2	Qtr. 1	Transport, distribution, splicing, and activation	
	Qtr. 2	Transport, distribution, splicing, and activation	
	Qtr. 3	Transport, distribution, splicing, and activation	
	Qtr. 4	Transport, distribution, splicing, and activation	

**Item II. L.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Market NY Grant Program – Market New York – Tourism Marketing Competition (Working Capital Grants)

REQUEST FOR: 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

I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
	<b>Market NY Program</b>			
A	Baseball Hall of Fame Museum Working Capital	AB571	National Baseball Hall of Fame & Museum, Inc	\$333,750
B	Rochester Fringe Festival 2017 Working Capital	AB691	Rochester Fringe Festival, Inc.	\$300,500
	<b>TOTAL MARKET NY PROJECTS-2</b>		<b>TOTAL</b>	<b>\$634,250</b>

ESD\* Investment: Up to a total of \$634,250 from Market NY Round 6 to be used for a tourism capital project in the Finger Lakes region 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 project(s).

Anticipated  
Appropriation  
Source(s):                      Market New York Program

II. Project Cost and Financing Sources

See Schedule A attached.

III. Project Description

A. Background

Round 6 of the Regional Council Consolidating Funding Application included up to \$13.5 million for *Market NY*, Rounds 4 and 5 included up to \$12 million and Round 3 included up to \$10 million for a program that will support regionally themed New York focused projects. *Market NY* will help to bolster tourism growth by promoting tourism destinations, attractions, and special events. Additionally, Market New York will support capital grant funding for tourism facilities in New York. The Market New York program and each funded proposal will work to support the Regional Council's long term strategic plans for economic growth in the regions, as well as to attract visitors to New York State.

Funding is available for projects intended to increase tourism in a community or region. Grant funding will be allocated among the ten regions, each represented by a Regional Council, based on each Regional Council's development and implementation of a five-year strategic plan that sets out a comprehensive vision for economic development and specific strategies to implement that vision. Funding will be allocated to projects, including priority projects identified by the regional councils, identified as significant, regionally supported and capable of stimulating economic investment through attraction of tourists to the dedicated area.

B. The Project

ESD will make available a total of \$634,250 from Round 6 to fund two working capital projects. The grantees have identified and prioritized Regional Marketing and Capital Tourism projects that support 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 project as described in the individual project description as set forth in Schedule A attached.

ESD Project No's.:              See Table Above

Project Team:	Project Management	See schedule A attached
	Program Director	Kelly Baquerizo
	Contractor & Supplier Diversity	Geraldine Ford

Financial Terms and Conditions

ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$891,500 for the project, if ESD determines that reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis

Market NY – ESD

The funding was authorized in the 2016-2017 New York State budget and reappropriated in the 2017-2018 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.

Recommendation

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

Additional Submissions to Directors

Resolutions  
Schedule A (A)

July 27, 2017

Statewide – Regional Tourism Marketing Competition – Market New York (Capital Grant) – 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 Market New York 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 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; (2) receipt of all other necessary approvals; and (3) receipt of funds; and be it further

Market New York Program

	Project Name	Proj #	Grantee	Assistance up to
	<b>Market NY Program</b>			
A	Baseball Hall of Fame Museum Working Capital	AB571	National Baseball Hall of Fame & Museum, Inc	\$333,750
B	Rochester Fringe Festival 2017 Working Capital	AB691	Rochester Fringe Festival, Inc.	\$300,500
	<b>TOTAL MARKET NY PROJECTS-2</b>		<b>TOTAL</b>	<b>\$634,250</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. Baseball Hall of Fame Museum Working Capital (AB571)**

July 27, 2017

- Grantee:** National Baseball Hall of Fame & Museum, Inc. (“NBHFM” or the “Organization”)
- ESD Investment:** A grant of up to \$333,750 to be used for regional tourism marketing funding
- Project Location:** Ostego County
- Proposed Project:** Multi-media marketing plan to generate additional visitors to the NBHFM and the overall region
- Project Type:** Working Capital
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in March 2017. The project is consistent with the Regional Plan to promote tourism within the Mohawk Valley Region and across New York State.

**Background:**

Organizational History – The NBHFM is dedicated to honor the game of baseball by preserving its history, honoring excellence, and connecting generations. It was dedicated on June 12, 1939 in Cooperstown, N.Y., and officially became the home of baseball by serving as its cornerstone and housing the stories honoring the greats of baseball's past. Core to the fulfillment of its mission, visitors can view the NBHFM's collection and library archive, which includes a treasure trove of more than three million pieces of sacred relics that bring to life the history of baseball and the inspiring stories of Hall of Famers.

Ownership – NBHFM is a not-for-profit organization.

ESD Involvement – A \$333,750 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	Z132	\$234,000	August 27, 2014	October 14, 2015	Working Capital Grant – implementation of

					a mobile application
Market NY	Z708	\$750,000	October 15, 2015	February 16, 2017	Working Capital Grant – digital marketing campaign Promotion
Market NY	AA517	\$131,400	December 15, 2016	December 31, 2017	Working Capital Grant – digital marketing campaign Promotion

**The Project:**

Completion date – December 2018

Activity – NBHFM will implement a marketing campaign that will include the creation of a new library of promotional images, an update to its website, brochure, and newsletter, and a new digital ad campaign using new imagery and language. NBHFM will also conduct a marketing study to better understand the needs and motivations of young families who may visit Cooperstown to facilitate long-term planning.

Results – The project will improve the impact of NBHFM’s marketing materials, and will generate additional visitors to this tourism attraction and to the overall region.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Multi-media Marketing & Promotions/PR	\$445,000	ESD Grant	\$333,750	75%
		Grantee Equity	111,250	25%
Total Project Costs	\$445,000	Total Project Financi	\$445,000	100%

Grantee Contact- Ken Meifert  
Vice President, Sponsorship and Development  
25 Main Street  
Cooperstown, NY 13326  
Phone: (607) 547-0286

Project Team-

Origination	Kelly Rabideau-Baquerizo
Project Management	Scott Lamkin
Contractor & Supplier Diversity	Danah Alexander
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. The Grantee will be required to contribute a minimum of 25% of the total project cost in the form of a match that can consist of local, federal, foundational or other organizations' fund. Other State funds (including other funding from ESD), "in-kind" matches/donations and salaries/wages/fringe benefits are not an eligible match for this requirement. The match must be committed and specifically shown in the project budget. Grantee's affirmation of these Directors' materials will be considered by ESD as validation of this committed matching requirement.
3. Up to \$333,750 will be disbursed , no more frequently than quarterly, and in proportion to ESD's funding share, to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require (including the mandatory project measurements/metrics form and documentation included in the Grant Disbursement Agreement). Expenses must be incurred on or after December 8, 2016, to be considered eligible project costs. The project must be completed by December 31, 2018.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2019. As stated, it is expected that reimbursement shall be in proportion to ESD's funding share. Thus, for each payment request, a match should be shown in proportion to Grantee's overall share of project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$333,750 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 ESD.
5. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, In the event I LOVE NY/NYS Division of Tourism chooses to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (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 30% related to the eligible categories totaling approximately \$333,750. As such, the overall

MWBE utilization goal shall be no less than \$100,125 related to the total value of ESD's funding.

**Statutory Basis – Market New York Program:**

The funding was authorized in the 2016-2017 New York State budget and reappropriated in the 2017-2018 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. Rochester Fringe Festival 2017 Working Capital (AB691)**

July 27, 2017

- Grantee:** Rochester Fringe Festival, Inc. (“The Fringe” or the “Organization”)
- ESD Investment:** A grant of up to \$300,500 to be used for regional tourism marketing funding
- Project Location:** Monroe County
- Proposed Project:** Marketing campaign to promote a ten day tourism event series (2017 Rochester Fringe Festival), specifically to support the development and promotion of the free performance of *Plasticiens Volants*, as well as to attract visitors to the region.
- Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in April 2017. The project is consistent with the Regional Plan to promote tourism.

**Background:**

Organization History – Rochester Fringe Festival, Inc. is an organization pioneered by several of Rochester’s cultural institutions: Geva Theatre Center, George Eastman Museum and Garth Fagan Dance, as well as emerging groups such as PUSH Physical Theatre and Method Machine. In addition, The Fringe’s Board has expanded to include University of Rochester, Eastman School of Music, RIT, Boylan Code, Bond Schoeneck & King, Mengel Metzger Barr and Writers & Books.

Ownership – The Fringe is not-for-profit organization.

ESD Involvement – A \$300,500 from the Market NY Grant Program

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

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Market NY DED	Z726	\$104,712	August 20, 2015	February 2016	Working Capital – Promoting Arts Festival



Market NY DED	AA654	\$75,497	August 18, 2016	December 2016	Working Capital- Marketing Campaign
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**The Project:**

Completion date – December 2017

Activity – The Fringe will use the funds to support and promote a new initiative for the 2017 Rochester Fringe Festival, a cultural-tourism event that will be held for 10 days (September 14-23, 2017). The initiative is the Fringe’s Erie Canal Celebration and the U.S. Premiere of *Plasticiens Volants*, an innovative performance group from France. The Rochester Fringe Festival is estimated to bring in over \$1,000,000 to the Rochester economy with over 500 performances at 25 venues in the Downtown Rochester area.

*Plasticiens Volants* is a French group who creates spectacular stories using giant inflated puppets and objects that fly over the audience, slide up streets, squeeze out of porches or escape up alleys, operated by equally mesmerizing costumed performers who interact with the audience at ground level.

Results – The Fringe seeks to increase tourism awareness and visitation to the area and the overall Finger Lakes Region.

During the course of the project, The Fringe will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, the Organization will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Contracted Services: Artistic	\$62,965	ESD Grant	\$300,500	75%
Contracted Services: Non-Artistic	\$4,000	Grantee Equity	100,152	25%
Marketing, Outreach, Advertising	\$265,957			
Travel	\$36,530			
Supplies/ Materials	\$8,700			
Shipping/ Installation	\$12,750			
Other	\$9,750			
<b>Total Project Costs</b>	<b>\$400,652</b>	<b>Total Project Financing</b>	<b>\$400,652</b>	<b>100%</b>

**Grantee Contact-** Ms. Erica Fee, Festival Producer  
P.O. Box 10508  
Rochester, NY 14610  
Phone: (585) 454-9460

<b><u>Project Team-</u></b>	Origination	Kelly Rabideau-Baquerizo
	Project Management	Emma Miran
	Contractor & Supplier Diversity	Geraldine Ford
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. The Grantee will be required to contribute a minimum of 25% of the total project cost in the form of a match that can consist of local, federal, foundational or other organizations' fund. Other State funds (including other funding from ESD), "in-kind" matches/donations and salaries/wages/fringe benefits are not an eligible match for this requirement. The match must be committed and specifically shown in the project budget. Grantee's affirmation of these Directors' materials will be considered by ESD as validation of this committed matching requirement.
3. Up to \$300,500 will be disbursed no more frequently than quarterly, and in proportion to ESD's funding share, to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require (including the mandatory project measurements/metrics form and documentation included in the Grant Disbursement Agreement).
4. Up to \$300,500 will be disbursed no more frequently than quarterly, and in proportion to ESD's funding share, to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require (including the mandatory project measurements/metrics form and documentation included in the Grant Disbursement Agreement).

Expenses must be incurred on or after December 8, 2016, to be considered eligible project costs. The project must be complete by December 31, 2018. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2019. As stated, it is expected that reimbursement shall be in proportion to ESD's funding share. Thus, for each payment request, a match should be shown in proportion to Grantee's overall share of project costs..

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,500 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. All projects should align with I Love NY marketing. It is required that all projects use the I LOVE NY logo with all marketing and promotion elements paid with Market NY Funds for the awarded project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD guidelines. Additionally, In the event I LOVE NY/NYS Division of Tourism chooses to have a presence at events in connection with this grant, no further funds shall be exchanged for a sponsorship or space fee.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

**Statutory Basis – Market New York Program:**

The project was authorized in the 2016-2017 New York State budget and reappropriated in the 2017-2018 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.

**Item II. M.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Statewide – New York State Electric Generation Facility Cessation Mitigation Program

REQUEST FOR: Authorization to Make Grants and to Take Related Actions

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I. Program Summary

	PTS #	Applicant	Facility	Closure Date	Anticipated Tax Loss	County	Proposed Grant Amount
A	AC031	Town of Tonawanda	Huntley Power LLC	March 1, 2016	88%	Erie	\$1,782,068.00

II. Program Description

A. Background

The Electric Generation Facility Cessation Mitigation Program (the “Program”) provides grant assistance to support local government entities, school districts and special districts which have realized at least a 20% reduction in property tax collections and/or payments in lieu of taxes owed by an electric generation facility (“Facility”) subject to their taxing authority which have ceased operations. The closure must have occurred on or after June 25, 2015, as confirmed in writing by the NYS Department of Public Service (“DPS”). The claimed tax loss must be confirmed in writing by the NYS Department of Taxation and Finance (“DTF”). Grant assistance may be awarded for up to seven years with up to 80 percent of any documented loss awarded in the first year and decreasing by 10% in subsequent years. Combined, the FY 2016-2017 and FY 2017-2018 New York State budgets appropriated \$45,000,000 for the Program.

B. The Projects

Consistent with the statute, ESD established a first come, first served process for the evaluation of applications. To date, ESD has disbursed awards to four applications for Program assistance.

Currently, ESD is in receipt of one application eligible for an award. Closure prior to June 25, 2015 has been confirmed by DPS and the Tax Loss for the applicant has been confirmed by DTF. Please see "Project Summary", above, and the grant award calculation, attached. Program Guidelines give ESD discretion to award a grant of up to 80% of the tax loss in the first program year. Given the magnitude of the tax loss of this eligible entity, a grant award of 80% of the tax loss is recommended.

III. Statutory Basis – Local Assistance

The Program was authorized in the FY 2016-2017 New York State budget. Additional appropriation was authorized in the FY 2017-18 New York State budget.

IV. Environmental Review

ESD staff has determined that the requested authorization to provide grants under the Electric Generation Facility Cessation Mitigation Program does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

V. ESD Employment Enforcement Policy

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

VI. Non-Discrimination and Contractor & Supplier Diversity

The Project is not a "state contract," as that term is defined in § 310(13) of the New York State Executive Law. Therefore, ESD will not establish Minority and Women-owned Business Enterprise participation goals for the Project. The grantee shall be required to adhere to ESD's non-discrimination and Equal Employment Opportunity policy in performing 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. Requested Actions

The Directors are requested to authorize the making of a grant as described in these materials and the taking of related actions.

IX. Additional Submissions to Director

Resolutions

Grant Award Calculation

July 27, 2017

Statewide – New York State Electric Generation Cessation Mitigation Program – Local Assistance – Authorization to Make Grants and to Take Related Actions

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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"), relating to the Electric Generation Cessation Mitigation Program ("the Program") projects identified below, the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended, 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 or his designee(s) be, and each of them hereby is, authorized to make a grant as set forth below from the Electric Generation Cessation Mitigation Program, for the purposes and substantially on the terms and conditions set forth in the Materials and the Program guidelines, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget:

	<b>PTS #</b>	<b>Applicant</b>	<b>Facility</b>	<b>Closure Date</b>	<b>Anticipated Tax Loss</b>	<b>County</b>	<b>Proposed Grant Amount</b>
A	AC031	Town of Tonawanda	Huntley Power LLC	March 1, 2016	88%	Erie	\$1,782,068.00

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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**NEW YORK STATE  
ELECTRIC GENERATION CESSATION MITIGATION PROGRAM**

**CALCULATION OF YEAR 1 AWARD**

**TOWN OF TONAWANDA  
PROJECT NO. AC031 "A"**

<b>TOTAL PILOT PAYMENTS - PRE-CLOSURE</b>	
JANUARY, 2016	\$ 2,458,552.00
<b>TOTAL PAYMENT:</b>	<u>\$ 2,458,552.00</u>
<b>TOTAL TAXES PAID - POST-CLOSURE</b>	
FEBRUARY, 2017	\$ 230,967.00
<b>TOTAL PAYMENT:</b>	<u>\$ 230,967.00</u>
<b>DIFFERENTIAL</b>	
PRE-CLOSURE LESS POST-CLOSURE	\$ 2,227,585.00
<b>ACTUAL LOSS:</b>	<u>\$ 2,227,585.00</u>
<b>PERCENTAGE OF LOSS:</b>	91%
<b>YEAR ONE GRANT AWARD</b>	
80% OF ACTUAL LOSS	\$ 1,782,068.00
<b>YEAR ONE AWARD:</b>	<u>\$ 1,782,068.00</u>

**Item II. N.**



FOR CONSIDERATION

July 27, 2017

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

General Project Plan

I. Project Summary

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	Village of Camillus	Camillus - RESTORE III - Downtown Redevelopment	W833	\$2,343,500	Camillus	Onondaga
		<b>TOTAL</b>		<b>\$2,343,500</b>		

II. Program Description

A. Background

The purpose of the Restore New York Communities Initiative (“Restore NY” or 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. Since 2006, ESD has received \$300 million in appropriations for Restore New York to fund three rounds of projects. The appropriations were allocated as follows: up to \$50 million in FY 2006-2007; \$100 million in FY 2007-2008; and \$150 million in FY 2008-2009.

In the FY 2015-2016, \$25 million was appropriated in the New York State budget for Round IV of Restore NY. In addition, \$25 million of unused funds from previous Restore NY appropriations were also allocated to Round IV for a total of \$50M. On June 20th, 2016, applicants were informed of eligibility to apply under the Program, and in January 26, 2017, awardees were announced. Following the issuance of an RFP in June 2016, a total of 75 municipalities were selected in January 2017 for funding assistance under Round IV. It is anticipated that upon completion the projects funded by New York State will attract individuals, families, industry, and commercial enterprises to the municipalities.

#### B. The Project

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

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

#### III. Statutory Basis

Restore New York Communities Findings:  
Land Use Improvement Project

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

IV. Environmental Review

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

V. Non-Discrimination and Contractor & Supplier Diversity

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

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

VI. ESD Employment Enforcement Policy

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

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

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

VIII. Additional Submissions to Directors

Resolutions

Map

Project Summary

July 27, 2017

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 Plans; Authorization to Make A Grant and to Take Related Actions

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

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

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

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a 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

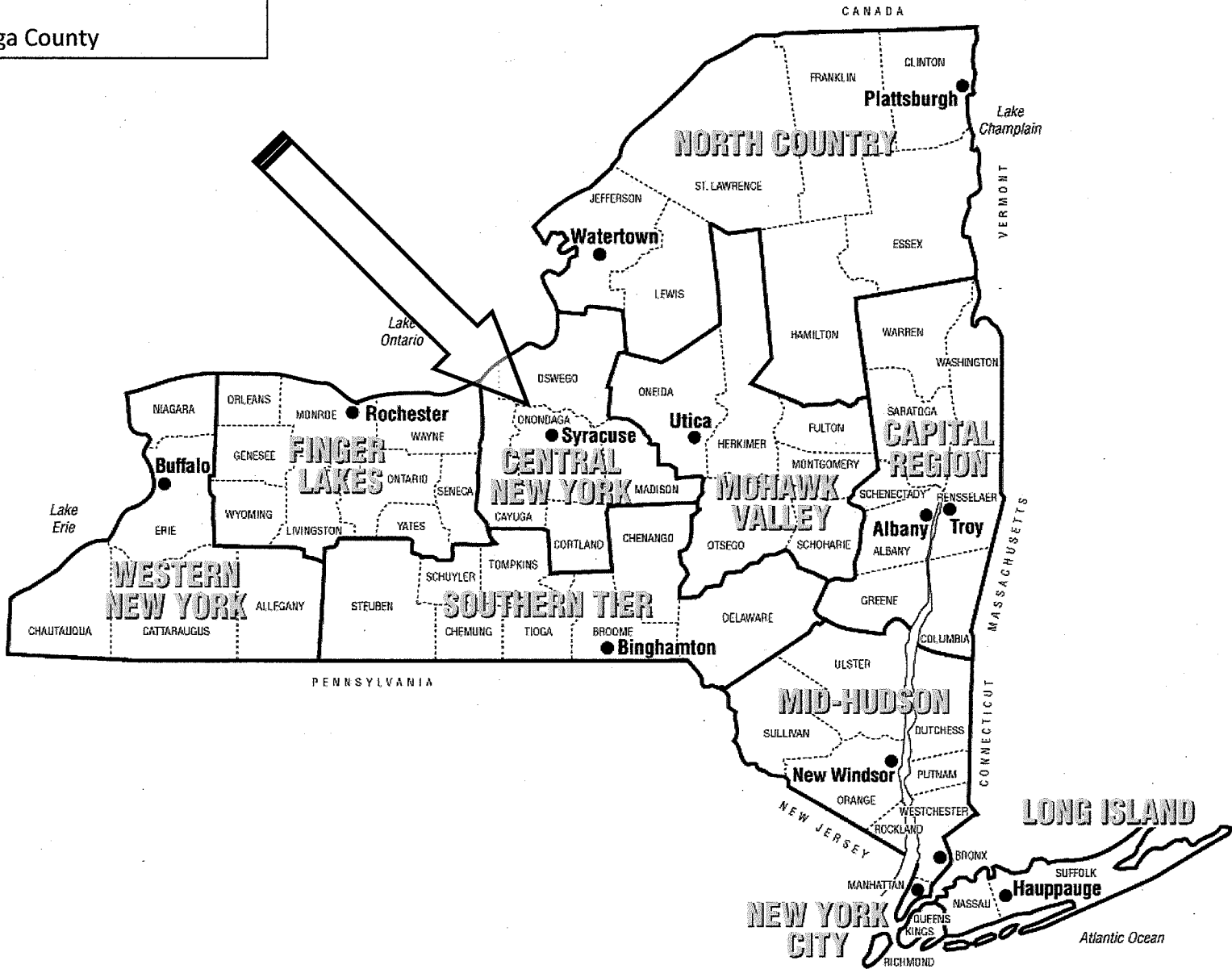
Restore NY Communities – Project Summary Table

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	Village of Camillus	Camillus - RESTORE III - Downtown Redevelopment	W833	\$2,343,500	Camillus	Onondaga
		<b>TOTAL</b>		<b>\$2,343,500</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.

\* \* \*

**Camillus Mills Redevelopment**  
Camillus  
Onondaga County





**A. Camillus - RESTORE III - Downtown Redevelopment (W833)**

July 27, 2017

General Project Plan

- Grantee:** Village of Camillus (the "Village")
- ESD Investment:** A grant of up to \$2,343,500 to be used for a portion of the cost of construction and renovation
- Project Location:** 54 Genesee Street, Camillus, Onondaga County
- Proposed Project:** Renovation of the former Camillus Mills Cutlery into a mixed use development
- Project Type:** Community revitalization
- Regional Council:** The Central Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The project is consistent with the Central New York Regional Plan to prioritize economic investment in strengthening municipal cores.

**Background:**

Village History - The Village of Camillus is located within the Town of Camillus in Onondaga County and is one of the smallest villages in the State. For nearly a century, the Village was the center of commerce for the Town of Camillus. The Village has suffered significant population flight, economic distress, commercial inactivity and housing stock decline due to dire economic conditions exacerbated by the closure of the Village's largest manufacturing employer, the Camillus Cutlery, in 2007.

Size - The Village hosts approximately 1,200 residents

ESD Involvement - In 2008, the Village prepared a comprehensive redevelopment plan, which highlighted serious present and future challenges including vacant and run-down properties, lack of goods and services offered for sale, the decline of owner occupied residential units, and the lack of quality, modern commercial buildings. In addition, the closure of the Camillus Cutlery in 2007, had struck a blow to the Village's economic health. Recognizing both the importance of returning the sprawling 130,000 square-foot shell located in the center of the Village to productive use, and the challenges of financing such an undertaking, the Village applied for, and was awarded a Round III Restore Grant of \$2,500,000 to rehabilitate the property.

In September 2010, the ESD Board approved \$156,500 of the \$2,500,000 grant for renovations to the property at 55 Genesee Street. Genesee Street (often referred to by local residents as Main Street) is the main commercial corridor within the Village.

The 2010 project involved restoration of a 4,300 square-foot, vacant commercial building into a restaurant, which is located across the street from the former Camillus Cutlery property at 54 Genesee Street.

In February 2012, funds for the completed restaurant project were disbursed. In February of the following year, the factory portion of the vacant Camillus Cutlery building was destroyed in a fire. A month later, the NYS Department of Environmental Conservation ("DEC") determined that environmental contaminants from the building's industrial past posed a public health hazard and declared it a Brownfield site.

These setbacks created further delays in completing the work and necessitated an overhaul of the budget and project strategy. In 2015, the Village was able to partner with Camillus Mills, LLC, a single use entity which was formed from an affiliation between Sweet Spot Development owner Tom Blair, and real estate development company Franklin Properties to spearhead the construction, renovations and environmental work.

In 2016, DEC issued a Certificate of Completion for the environmental remediation and construction commenced in August 2016.

Camillus Mills, LLC applied under Round 2 of the Regional Council Consolidated Funding Application and was awarded a \$500,000 grant to apply to this project. This award is also being presented for approval at the July 2017 meeting.

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
Restore NY Community Initiatives – Round III	W833	\$156,500	September 14, 2010	December 31, 2011	Capital – Rehabilitation of vacant building

**The Project:**

Completion – September 2017

Activity – Camillus Mills, LLC and its incorporated affiliate Camillus Mills Holdings, Inc. are single-use entities formed to remediate and redevelop the former headquarters building of the now defunct Camillus Cutlery Company. The project, located at 54 Genesee Street, is a certified historic rehabilitation that repurposes a two-story, 42,000 square-foot landmark building (circa 1925) for mixed-used development. The project is a DEC Certified Brownfield site that was successfully remediated under DEC’s Voluntary Clean-up Program.

The development is expected to be complete in September 2017.

Results - The project will offer 29 market-rate loft-style apartments and 8,500 square-feet of high quality, loft style commercial space located in the center of an historic, attractive walkable village. The development will be leased and operated by Sutton Companies, a full-service real estate firm with 75 years of experience in Central New York.

Hearth Management (“Hearth”), a developer/owner of senior living facilities in New York, Connecticut, Indiana and Tennessee, has leased approximately 7,500 square-feet of commercial space in the new development. Hearth will consolidate some 25 employees in the former Camillus Mills facility. By transforming the worst block in the Village to a thriving center for work and recreation, the Village will experience increased activity and economic well-being. In addition, the project is expected to result in a 5% increase in the residential population.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction/Renovation	\$3,815,000	ESD Grant	\$2,343,500	24%
Environmental Remediation	1,500,000	Developer Equity*	2,596,500	27%
Planning	500,000	Community Preservation Corporation - Bank Loan**	3,960,000	41%
Site Work	1,400,000	National Grid - Grant	300,000	3%
Demolition	185,000	ESD Grant #Y233	500,000	5%
Soft Costs	2,300,000			
Total Project Costs	\$9,700,000	Total Project Financing	\$9,700,000	100%

\*Village Equity includes Hydrants, Storm pipe infill, streetscape work (sidewalks, trees, lighting)

\*\*Bank Rate 4.72%/ Term 30 years/ 1<sup>st</sup> Lien

Grantee Contact- Patricia Butler, Mayor  
37 Main Street  
Camillus, NY 13031  
Phone: (315) 672-3484

Project Team- Project Management Simone Bethune  
Contractor & Supplier Diversity Edwina Telemaque  
Environmental Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Village/Town/City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Village will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Village will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$2,343,500 will be disbursed to Grantee upon documentation of project costs totaling \$9,700,000 and upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after 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 \$2,343,500, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Village 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.

**Environmental Review:**

The Village of Camillus Village 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 February 1, 2016. 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 inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law ("Section 14.09"). The project is in compliance with Section 14.09.

**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 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.

**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 involves the demolition and rehabilitation of a vacant, abandoned, surplus, or condemned commercial and/or residential building, which has been deemed by the Village to arrest sound growth and development in the area.

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 demolition/deconstruction/rehabilitation or reconstruction of a site that the Village has included in its overall master development plan which highlighted serious present and future challenges including vacant and run-down properties, lack of goods and services offered for sale, the decline of owner occupied residential units, and the lack of quality, modern commercial buildings.

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 Village published a property assessment list and held a public hearing on the project at the time of application. The Village 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.

**Attachment:** Resolution  
Photographs

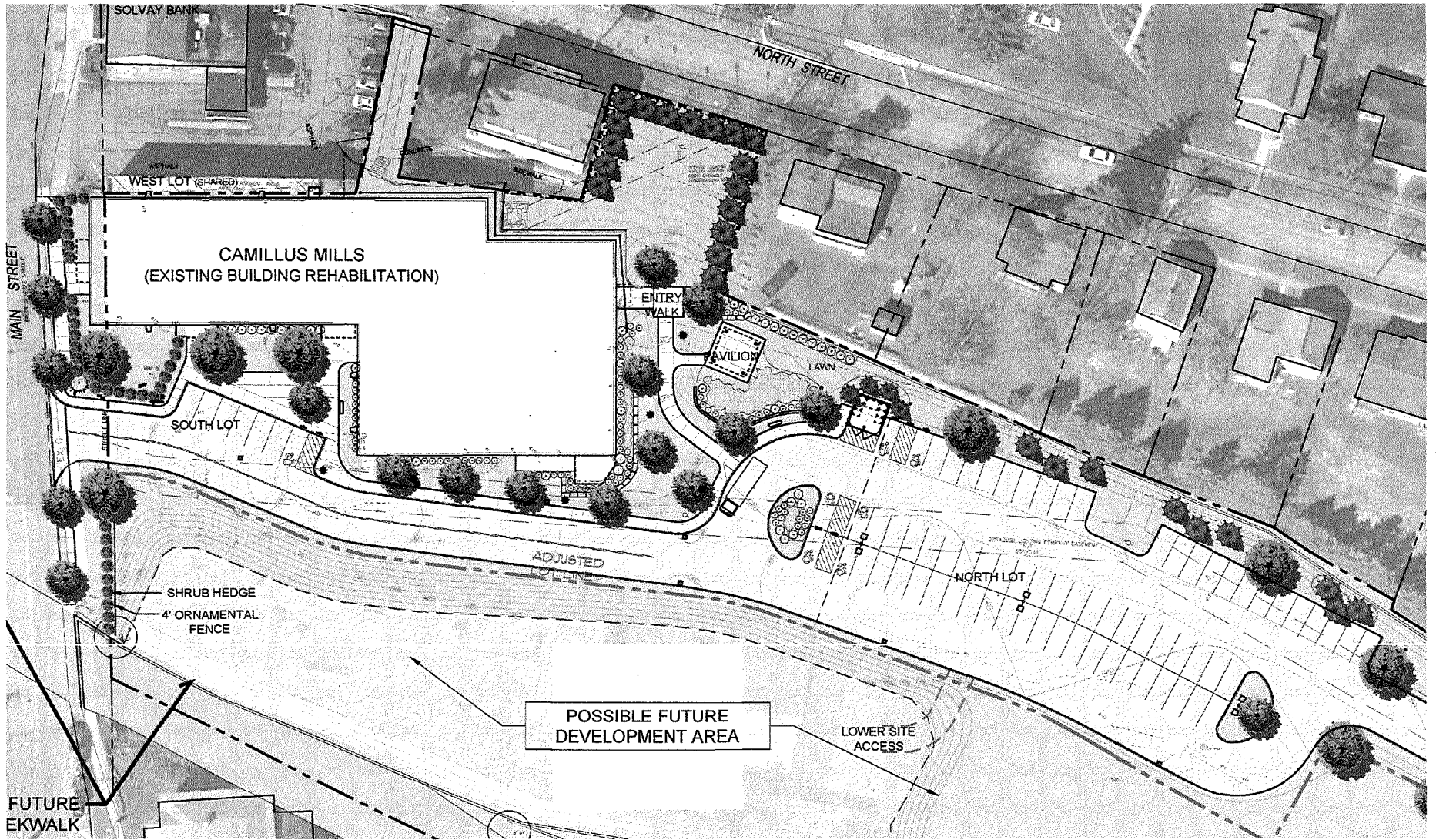
July 27, 2017

Camillus (Central Region – Onondaga County) – Camillus - RESTORE III - Downtown  
Redevelopment – RestoreNY Comm 08-09 – Determination of No Significant Effect on  
the Environment

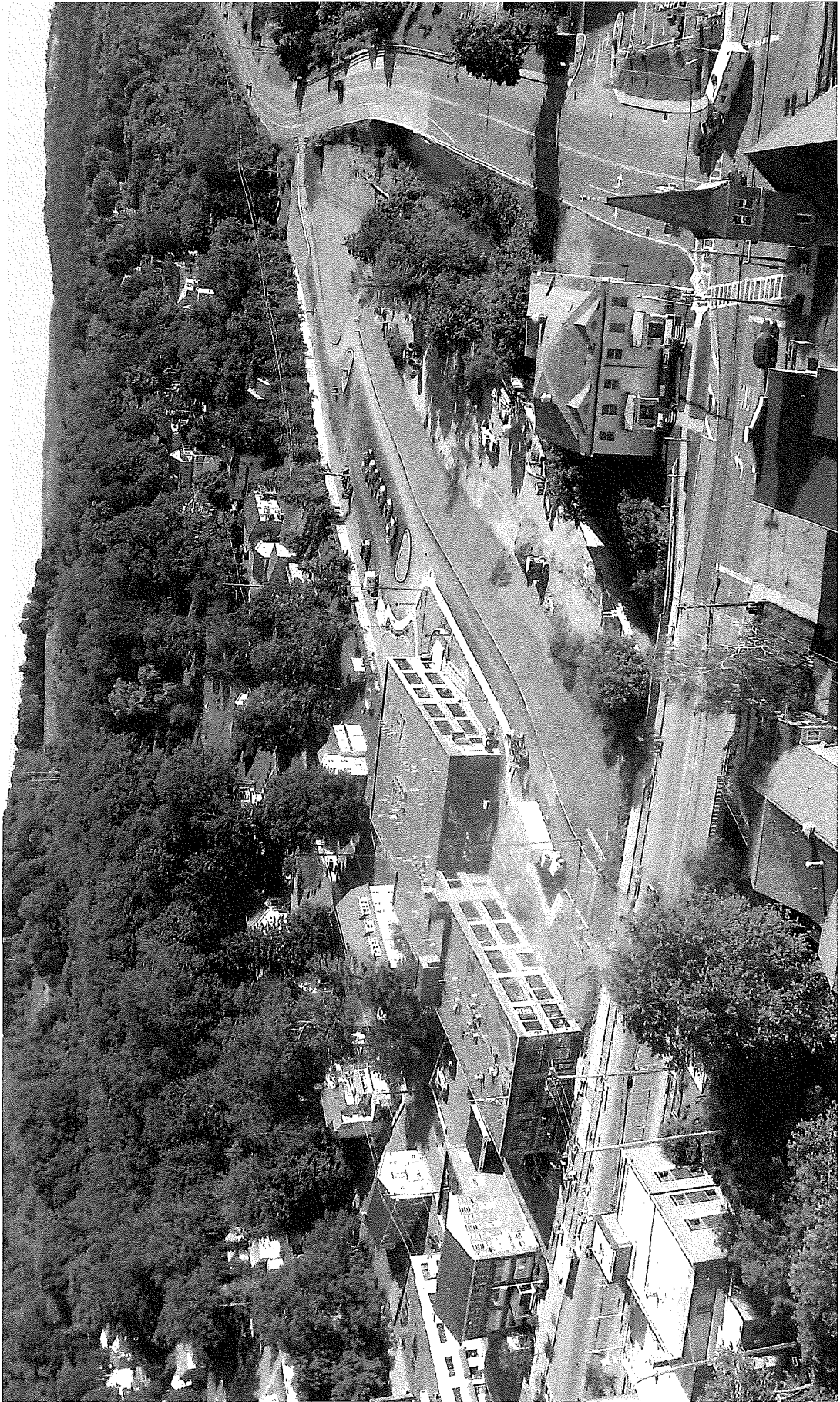
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RESOLVED, that based on the material submitted to the Directors with respect to the Camillus  
- RESTORE III - Downtown Redevelopment Project, the Corporation hereby determines that the  
proposed action will not have a significant effect on the environment.

\* \* \*







# Item III. A.

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**FOR CONSIDERATION**

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Findings and Determinations Pursuant to Section 10(g) of the Act; Adoption of General Project Plans; Authorization to Make Grants and to Take Related Actions

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>Executive (Arts/Cultural)</b>			
A	American Museum of Natural History - Math and Science Capital	X330	American Museum of Natural History	\$5,000,000
	<b>Executive (Transformative Investment Program)</b>			
B	Stony Brook University I-DIME Capital	AB116	Stony Brook University	\$75,000,000
	<b>TOTAL NON-DISCRETIONARY – 2 PROJECTS</b>		<b>TOTAL</b>	<b>\$80,000,000</b>

I. Statutory Basis

The project was sponsored by the Executive, Assembly or Senate, and was authorized or reappropriated in the 2017-2018 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

II. Environmental Review

Unless otherwise noted on a project summary, ESD\* staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

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

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

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 30% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 15% and a Women Business Enterprise ("WBE") Participation goal of 15%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

### IV. ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

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

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

### VI. Additional Requirements

Pursuant to direction received from the New York State Office of the Attorney General ("OAG"), individual project summaries may be subject to comment and approval by the OAG.

Due diligence has been exercised by ESD staff in reviewing information and documentation received from grantees/borrowers and other sources, in preparation for bringing projects to the ESD Directors for approval. The due diligence process also involves coordination with a number of external constituents, including the OAG, and grantees/borrowers have provided ESD with the required Disclosure and Accountability Certifications.

Also, pursuant to s.2879-a of the Public Authorities Law, the Office of the State Comptroller ("OSC") has notified the Corporation that it will review all grant disbursement agreements ("GDAs") of more than one million dollars (\$1 million) that are supported with funds from the Community Projects Fund ("007"). Such GDAs, therefore, will not become valid and enforceable unless approved by the OSC. A clause providing for OSC review will be included in

all GDAs that are subject to such approval.

**VII. Additional Submissions to Directors**

Resolutions  
Project Summary  
New York State Map

July 27, 2017

Arts/Cultural – New York City – Findings and Determinations Pursuant to Section 10(g) of the Act; Adoption of the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from Arts/Cultural, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the "Plans") for the applicable Projects included in these materials, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, copies of which Plans, together with such changes, shall be maintained with the records of the Corporation; and be it further

RESOLVED, if applicable, that upon further written finding that no substantive negative testimony or comment has been received at the public hearings held on the Plans, such Plans shall be effective at the conclusion of such hearings, and that upon such written findings being made, staff is authorized to make a grant to the parties and for the amounts listed below from Arts/Cultural, for the purposes, and substantially on the terms and conditions, set forth in these materials; and be it further

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

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) receipt of funds;

Arts/Cultural -Executive – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Executive (Arts/Cultural)</b>			
A	American Museum of Natural History - Math and Science Capital	X330	American Museum of Natural History	\$5,000,000
			<b>TOTAL</b>	<b>\$5,000,000</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 27, 2017

Transformative Investment Program – Findings and Determinations Pursuant to Section 10(g) of the Act; Adoption of the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Transformative Investment Program Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area(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 Transformative Investment Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the "Plans") for the applicable Projects included in these materials, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, copies of which Plans, together with such changes, shall be maintained with the records of the Corporation; and be it further

RESOLVED, if applicable, that upon further written finding that no substantive negative testimony or comment has been received at the public hearings held on the Plans, such Plans shall be effective at the conclusion of such hearings, and that upon such written findings being made, staff is authorized to make a grant to the parties and for the amounts listed below from Transformative Investment Program, for the purposes, and substantially on the terms and conditions, set forth in these materials; and be it further

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



RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) receipt of funds;

**Transformative Investment Program – Executive – Project Summary Table**

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Executive (Transformative Investment Program)</b>			
B	Stony Brook University I-DIME Capital	AB116	Stony Brook University	\$75,000,000
			<b>TOTAL</b>	<b>\$75,000,000</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. American Museum of Natural History - Math and Science Capital (X330)**  
July 27, 2017

General Project Plan

- Grantee:** American Museum of Natural History (the "Museum")
- ESD Investment:** A grant of up to \$5,000,000 to be used for a portion of the cost of the architectural design of a proposed new building, the Richard Gilder Center for Science, Education, and Innovation (the Gilder Center)
- Project Location:** 200 Central Park West, New York, New York County
- Proposed Project:** Construct the Richard Gilder Center (the "Gilder Center") for Science, Education, and Innovation, a unique and functional building that advances the Museum's mission and strategic vision for the future.
- Project Type:** Design and Construction
- Regional Council:** The New York City Regional Economic Development Council has been made aware of this item. The project predates the Regional Council Initiative.
- Background:**

Industry – Arts and culture

Organizational History - The American Museum of Natural History was founded in 1869 by an Act of the New York State Legislature, for the purposes of "establishing and maintaining a Museum and Library of Natural History [in New York city]; of encouraging and developing the study of Natural Science; of advancing the general knowledge of kindred subjects; and to that end, of furnishing popular instruction." The Museum opened to the public at its present location in 1877.

The Museum is one of the nation's preeminent institutions for scientific research and public education. It is home to more than 200 scientific staff, collections of more than 33 million specimens and cultural artifacts and library holdings of more than 485,000 volumes. The Museum conducts diverse research programs and expeditions; trains undergraduate, graduate, and post-doctoral students; receives hundreds of visiting scientists, offers thousands of educational programs; and welcomes nearly four million visitors.

Ownership – The American Natural History Museum is a not-for-profit.

ESD Involvement - The construction of the Gilder Center will address critical external and internal needs to further the Museum's mission of encouraging and developing the study of natural science. ESD funds will be used solely for the architectural design of the building.

Past ESD Support - Funding for the past five years to the Grantee, totaling \$5 million, is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Special Appropriation	U844	\$200,000	November 15, 2006	December 02, 2013	Capital – Restoration and improvement costs
EOF Emp Opp Fund	Y711	\$4,800,000	November 15, 2006	February 26, 2015	Capital – Restoration and improvement costs

**The Project:**

Completion – January 2021

Activity - The architectural design of the Gilder Center will be integrated into the existing Museum complex for a total of 245,000 square-feet of new construction and renovations. The design of the building is intended to inspire a sense of discovery, by creating openings among buildings, circulation spaces and program elements that would permit visitors to see the activities inside and physical access through continuous, connected spaces that explore the integrated science, exhibition and educational area. The Gilder Center would allow visitors to see, and be invited to experience, collections unlike anywhere else in the Museum.

The Museum will also receive \$7 million in additional ESD funding for this project through Round 6 of the Regional Council, the Market NY Program, and non-discretionary legislative funding to be approved at a later date.

**Results** - Construction of the new building is expected to begin in 2017, with the first full year of operation in 2021.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount
Architectural Design Costs	\$5,000,000	ESD Grant	\$5,000,000
Total Project Costs	\$5,000,000	Total Project Financing	\$5,000,000

*\*AA535 - \$1,000,000, AB685 - \$1,000,000, NYS Assembly Award Project # TBD - \$5,000,000*

**Grantee Contact** - Dan Slippen,  
 Vice President of Government Relations and Community Affairs  
 200 Central Park West  
 New York, NY 10024  
 Phone: (212) 769-5033

**Project Team** -

Origination	
Project Management	Anna Franzini
Contractor & Supplier Diversity	Denise Ross
Design & Construction	Joseph Macaluso
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$5,000,000 will be disbursed to Grantee, no more frequently than quarterly, upon documentation of eligible design 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. All project expenditures must have been incurred on or after April 1, 2010. 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 \$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.

**Design and Construction:**

ESD staff will review the project budget, plans, and specifications, along with the other documents that ESD may require for scheduled payment projects. Submission of Payment Requisitions to ESD will be made according to disbursement terms outlined in the Grant Disbursement Agreement.

**Environmental Review:**

ESD staff has determined that the approval of funding to be used for a portion of the cost of architectural design constitutes a Type II action as defined in the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. Therefore, no further environmental review is required in connection with this approval. The construction of the proposed new building, however, is subject to review pursuant to SEQRA, which is being undertaken by the New York City Department of Parks and Recreation as lead agency.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises (MWBEs) for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve MWBE Participation. Establishment of specific goals related to the total value of ESD's funding is still pending.

**Statutory Basis – Arts and Cultural:**

The funding was authorized in the 2010-2011 New York State budget and reappropriated in the 2011-2012, 2012-2013, 2013-2014, 2014—2015, 2015-2016, 2016-2017 and 2017-2018 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 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. Stony Brook University I-DIME Capital (AB116)**

July 27, 2017

General Project Plan

- Grantee:** Stony Brook University (“Stony Brook” or the “University”)
- ESD Investment:** A grant of up to \$75,000,000 to be used for construction, renovation, machinery, furniture, fixtures and equipment
- Project Location:** One Development Drive, Stony Brook, Suffolk County
- Proposed Project:** Construction, renovation and fit-out of a 70,000-square-foot building in the Stony Brook University Research and Development Park for the creation of the Institute for Discovery and Innovation in Medicine & Engineering (“I-DIME” or the “Institute”), an interdisciplinary research and development facility. I-DIME will offer access to advanced data analytics to service a changing set of needs in areas of disease research, environment, SMART grid development, advanced manufacturing, and cybersecurity. Initial research will focus on brain chip management of complex neurological disorders, next generation drug design, and precision-based cancer treatment.
- Project Type:** Capital investment to support innovative research and development in medicine and engineering
- Regional Council:** The Long Island Regional Council has been made aware of this item.

**Background:**

Industry - Higher education

Grantee History - Stony Brook University was established in 1957 as a college for the preparation of secondary school teachers of mathematics and science. The first campus was located in Oyster Bay, Long Island, on the grounds of a former Gold Coast estate. In 1962, a new campus was built near the historic Village of Stony Brook on land donated by local philanthropist Ward Melville. As a part of the State University of New York (“SUNY”) system, the University has grown tremendously and is now recognized as one of the nation’s important centers of learning and scholarship. The University campus is approximately 60 miles east of Manhattan and 60 miles west of Montauk Point.

Ownership - Stony Brook University is a public institution of higher education.

Size - Stony Brook is situated on 1,400 acres with over 200 buildings, 120 of which are located on the main campus on the north shore of Long Island. Over 2,600 faculty members work at the University with a total fall 2016 enrollment of 25,734 students.

ESD Involvement - A \$75,000,000 appropriation was included in the FY 2017-2018 New York State budget.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Local Assistance	W690	\$1,179,166	October 22, 2009	March 1, 2011	Working Capital
	W878	\$1,155,666	June 26, 2012	May 17, 2014	Working Capital
	W879	\$815,666	June 26, 2012	August 23, 2014	Working Capital
Urban and Community Development Program	X213	\$25,000	March 23, 2011	August 26, 2011	Working Capital
Regional Council Capital Fund	Y951	\$1,500,000	September 18, 2014	April 30, 2016	Capital
Regional Council Capital Fund	X651	\$1,000,000	June 18, 2016	December 31, 2016	Capital
Regional Council Capital Fund	Z021	\$1,000,000	June 23, 2016	December 31, 2019	Capital

### The Project:

Completion – August 2021

Activity – Design, construct and fit-out of I-DIME, a 70,000-square-foot building on the Stony Brook University Research and Development Park. I-DIME will be equipped with lab space, powerful computer capacity and necessary equipment to support the initial areas of discovery. I-DIME will initially focus research and development activities in three areas:

- **Brain Chips for Neurological Disorder Treatment**--Development of next-gen biomedical devices to detect and correct abnormal brain function and activity.
- **Next generation drug design**--Develop new disease treatment opportunities at reasonable cost for anti-cancer, immunosuppressants, hepatitis C, anti-inflammatory agents, and next-gen antibiotics.

- **Personalized, Precision Medicine and Imaging**-Develop an improved ability to anticipate patient outcomes and to more rapidly and effectively develop personalized cancer treatments.

**Results** – The newly built and equipped facility will create new markets that do not already exist by focusing on strategically- identified research initiatives that will drive collaboration, innovation, discovery, technology transfer, and licensing through to commercialization. Its initial tenants will facilitate development of advanced diagnostic and prognostic indicators to improve the ability to anticipate patient outcomes and to more rapidly and effectively personalize treatments for cancer and complex neurological disorders. The I-DIME project is anticipated to create up to 150 new jobs.

Financing Uses	Amount	Financing Sources	Amount	Percent
Design	\$9,000,000	ESD Grant	\$75,000,000	100%
Construction	49,000,000			
Scientific Equipment	15,000,000			
Furniture, Fixtures and Equipment	2,000,000			
Total Project Costs	\$75,000,000	Total Project Financing	\$75,000,000	100%

**Grantee Contact -** Louis Rispoli, Associate Vice President Facilities and Services  
 100 Nicolls Road  
 Stony Brook, NY 11766  
 Phone: (631) 632-6218

**Project Team -**

Project Management	Wilfredo Florentino
Contractor & Supplier Diversity	Geraldine Ford
Design & Construction	Joe Macaluso
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. Up to \$75,000,000 will be disbursed to Grantee, no more frequently than quarterly, upon documentation of eligible 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. All project expenditures must have been incurred on or after April 1, 2016. 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 \$75,000,000, 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.

### **Design and Construction**

ESD staff will review the project budget, plans, and specifications, along with the other documents that ESD may require for scheduled payment projects. Submission of Payment Requisitions to ESD will be made according to disbursement terms outlined in the Grant Disbursement Agreement.

### **Environmental Review**

Pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), and in connection with approval of funding for the Center of Excellence in Wireless and Information Technology Civic Project, ESD Directors adopted SEQRA Findings on December 15, 2005 based on the Final Generic Environmental Impact Statement ("FGEIS") for the Stony Brook University Research & Development Campus. By adoption of SEQRA Findings, the Directors certified that the requirements of 6 NYCRR Part 617 have been met. The present request for ESD funding does not constitute an action beyond those actions already considered in the FGEIS and does not require additional environmental review under SEQRA.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30%. The overall goal shall include a Minority Business Enterprise Participation Goal of 10% and a Women Business Enterprise Participation Goal of 20% related to the total value of ESD's funding.

### **Statutory Basis – Transformative Investment Program:**

The funding was authorized in the 2015-2016 New York State budget and reappropriated in the 2016-2017 and 2017-2018 New York state budgets. No residential relocation is required as there are no families or individuals residing on the site.

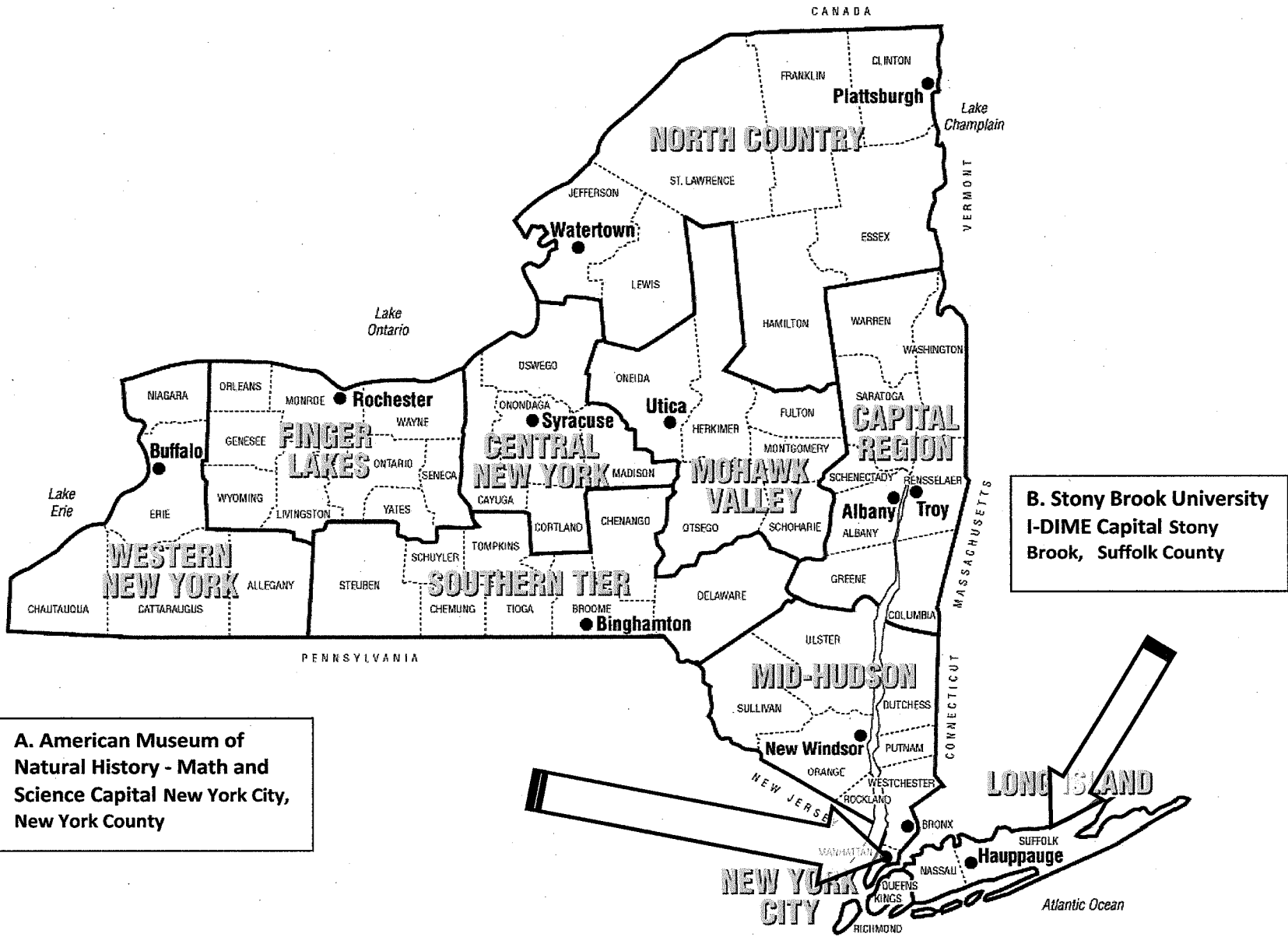
In accordance with the Legislation (chapter 54, section 1, of the laws of 2015, as amended by chapter 55, section 1, of the laws of 2016 and chapter 54, section 1 of the laws of 2017) governing the use of the \$75 million from the Transformative Investment Program for IDIME, a plan ("Plan") is required to be developed by Stony Brook University and submitted to the Chief Executive Officer ("CEO") of the New York State Urban Development Corporation for approval. A Plan has been submitted in accordance with the Legislation's requirement and

formed the basis for this General Project Plan ("GPP"). The President and CEO approved the Plan, subject to your approval of the GPP.

**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. American Museum of Natural History - Math and Science Capital New York City, New York County**

**B. Stony Brook University I-DIME Capital Stony Brook, Suffolk County**

# **Item IV. A.**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Statewide – Entrepreneurial Assistance Program (“EAP”)  
(Training and Technical Assistance Grants)

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

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**I. Project Summary**

**Grantees:** Twenty-Four New York State Entrepreneurial Assistance Program Centers (the “EAP Centers” or the “Centers”) - see attached Schedule A.

**ESD\* Investment:** Grants totaling up to \$1,955,176 will be awarded to eligible not-for-profit corporations and community colleges.

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

**Project Locations:** See attached Schedule A (24).

**Proposed Projects:** To support the ongoing operations of 24 EAP Centers.

**Regional Council:** The Regional Councils have been made aware of its respective items.

**Anticipated Appropriation Sources:** Entrepreneurial Assistance Program (“EAP”)

**II. Project Descriptions**

**A. Background**

The Omnibus Economic Development Law of 1987 authorized the Department of Economic Development d/b/a Empire State Development (“ESD”), through the Entrepreneurial Assistance Program (“EAP” or the “Program”), to issue contracts to not-for-profit corporations, community colleges and boards of cooperative educational services for the development of EAP Centers.

Encouraging the formation and growth of small businesses is an important strategic goal of New York State. Effective EAP programs provide intensive, community-based training, technical assistance and other related services to small business owners or entrepreneurs, particularly minorities and women, to stimulate new business development and to strengthen businesses in the early stages of development (1-5 years). Such assistance is especially important in economically distressed areas where high levels of unemployment and declining infrastructure further limit the ability for these young businesses to develop. Effective programs are built on a working knowledge of the needs and resources of a community and its region.

During the 2016-17 contract year the Program provided services to 1,651 clients who have started, retained or expanded over 1,399 businesses, increased sales by \$44 million, secured \$11 million in financing, increased employment by 641 and helped retain 2,035 employees.

In addition to its regular assistance to the small business community the EAP also provided "Starting Your Own Business" seminars to area Office of New American Centers located throughout NYS; assisting 148 firms to apply for NYS MWBE certification; and enrolled 311 new entrepreneurs to NY Mentorship program.

#### B. The Project

There are currently twenty-four EAP Centers located throughout the state. These Centers provide comprehensive assistance in enterprise development to owners and prospective owners of small businesses, with a particular interest in serving minority group members, women, dislocated workers, and individuals with special needs.

Centers funded by ESD are required to provide the following:

- A. One sixty-hour entrepreneurship training course supplemented by intensive technical assistance to help new entrepreneurs complete business plans and to help them develop viable businesses. Technical assistance encompasses refinement of business concepts, break-even analysis and financial management, marketing plans, and market development.
- B. Enterprise expansion assistance for existing but still young businesses (under five years old). Centers assist these firms to make the transition into small-growth companies. Enterprise expansion technical assistance includes the following: working capital and cash-flow management; general management skills; new market development; hiring and managing employees; managing growth; and accessing credit and capital.

The 2017-2018 New York State budget includes an allocation of \$1,764,000; an additional \$191,176 is available from previous funding. Twenty-four of the EAP Centers will be funded with grants of \$81,465 for 12 month contracts. EAP Centers are required to match these grants one-to-one (50% or more in cash and no more than 50% in-kind).

The contract period for 23 of the 24 EAP centers is June 1, 2017 through May 31, 2018. Suffolk County Community College will have a contract period from July 1, 2017 through June 30, 2018 because of a previous contract extension.

EAP Centers will use allocated funds for expenses related to training and technical assistance as outlined above; operating expenses including, but not limited to, salaries of EAP coordinators and additional support staff; promotional and marketing materials; travel; classroom materials, and supplies.

EAP Centers are required to provide reports relating to their specific achievements during the contract period. In addition, financial reports and documentation of expenditures will be required for disbursement of funds. ESD will verify that each Center is in compliance with Program regulations and guidelines and is following all existing contractual arrangements by reviewing, verifying and approving the required documentation, including financial reports and payment requests.

ESD will enter into an agreement with each center that will stipulate the manner in which program funds will be disbursed.

ESD Project Nos.: AC049-AC052, and AC054-AC073

Project Team:	Program Director	Bette Yee
	Environmental	Rachel Shatz

#### D. Financial Terms and Conditions

ESD may reallocate the project funds to another form of assistance, at an amount no greater than the amount approved, 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

The Entrepreneurial Assistance Program is authorized in the 2017-2018 New York State budget and Article 9 of the Economic Development Law. No residential relocation is required as there are no families or individuals residing on the sites.

#### V. Environmental Review

ESD staff has determined that the approval of the Entrepreneurial Assistance Program grants 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 action.

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, goals will not be established due to the nature of this initiative.

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  
Schedule A (24)



July 27, 2017

Statewide – Entrepreneurial Assistance Program (Training and Technical Assistance Grants); Findings and Determinations Pursuant to Section 10(g) of the Act; 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 Empire State Development (“ESD”), relating to the Entrepreneurial Assistance Program (Training and Technical Assistance Grants) Projects, (the “Projects”), ESD 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 or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed One Million Nine-Hundred Fifty-Five Thousand One Hundred Seventy-Six (\$1,955,176) from the Entrepreneurial Assistance Program for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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 ESD 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.

\* \* \*

## Entrepreneurial Assistance Program

### Regional Listing

1. ACCORD Corporation (Western New York Region - Allegany County)
2. Adirondack Economic Development Corporation (North Country Region - Jefferson County)
3. Bedford Stuyvesant Restoration Corporation (New York City Region – Kings County)
4. Binghamton Local Development Corporation (Southern Tier Region - Broome County)
5. Business Outreach Center, Inc. (New York City Region - Queens County (Jamaica/Corona))
6. Business Training Institute, Inc. (Mohawk Valley Region - Oneida County)
7. CAMBA (New York City Region - Kings County)
8. Capital Chamber Foundation, Inc. of Albany-Colonie Regional Chamber of Commerce (Capital Region - Albany County)
9. Chinatown Manpower Project, Inc. (New York City Region - New York County)
10. Hofstra University (Long Island Region - Nassau County)
11. Hot Bread Kitchen, Ltd. (New York City Region – New York County)
12. IBERO American Action League – Medaille College Buffalo (Western New York Region - Erie/Niagara Counties)
13. IBERO American Action League - Waverly (Southern Tier Region – Chemung County)
14. Local Development Corporation of East New York (New York City Region - Kings County)
15. Queens Economic Development Corporation (New York City Region - Queens County)
16. Renaissance Economic Development Corporation (New York City Region - New York County)
17. South Bronx Overall Economic Development Corporation (New York City Region – Bronx County)
18. South Bronx Overall Economic Development Corporation (New York City Region – Bronx County (South Bronx))
19. Suffolk County Community College (Long Island Region - Suffolk County)
20. Syracuse University (Central New York Region - Onondaga County)
21. Urban League of Rochester (Finger Lakes Region - Monroe County)
22. Washington Heights Inwood Development Corporation (New York City Region – New York County)
23. Women’s Enterprise Development Center Inc. (Mid-Hudson Region – Westchester County)
24. Women’s Enterprise Development Center Inc. (Mid-Hudson Region – Dutchess, Orange, Sullivan, Ulster and Putnam Counties)

## SCHEDULE A-1

### ACCORD Corporation Entrepreneurial Assistance Program, (AC049)

- Grantee:** ACCORD Corporation (“ACCORD” or the “Corporation”)
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** ACCORD Corp/Allegany Business Center  
6087 State Route 19N, Belmont NY 14813
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Western New York Regional Economic Development Council initiative to foster a strong culture of entrepreneurship through training, incubators and public awareness.

#### **Background:**

Company History – ACCORD Corporation and its’ Business and Community Development Division operates the Allegany Business Center and exclusively provides entrepreneurial assistance to rural Allegany, Cattaraugus, and Steuben counties for the last 25 years.

Ownership – ACCORD is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - ACCORD was awarded its first grant in 1995. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, ACCORD has received approximately \$2,290,563 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity - ACCORD will help prepare entrepreneurs and existing business owners for the world of business by teaching business principles, thereby reducing business failures, facilitating self-sufficiency and profitability, expansion and assistance with securing capital.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget ACCORD Corporation**

Financial Uses			Financial Sources		
Project AC049 ACCORD EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$112,343	69%	\$67,877	\$13,733	\$30,733
Contractual Services/Curriculum/ Staff Development	16,950	10%	3,700	13,250	0
Project Expenses	33,638	21%	9,888	13,750	10,000
<b>Total Project Costs</b>	<b>\$162,931</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$40,733</b>	<b>\$40,733</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>25%</b>	<b>25%</b>

**Grantee Contact:** Lesley Gooch-Christman, Executive Director  
**Telephone:** (585)268-7605  
**Fax:** (585)268-5085  
**E-Mail:** [lchristman@accordcorp.org](mailto:lchristman@accordcorp.org)

**Project Team:** Program Director Bette Yee  
Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-2

### Adirondack Economic Development Corporation Entrepreneurial Assistance Program, (AC050)

- Grantee:** Adirondack Economic Development Corporation (“AEDC” or the “Corporation”)
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 67 Main Street - Suite 300, Saranac Lake NY, 12893
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the North Country Regional Economic Development Council goals to support small business development while encouraging and assisting entrepreneurs in the region with growth and development.

#### **Background:**

Company History – The AEDC is a not-for-profit economic development corporation whose mission is to “foster and support the growth of sustainable North County communities through support of aspiring entrepreneurs and existing small business owners.

Ownership – Adirondack Economic Development is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - Adirondack Economic Development was awarded its first grant in 1990. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, Adirondack Economic Development has received approximately \$806,200 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – AEDC will provide an array of services including but not limited to business training using the NxLevel business curriculum which is designed to guide the participant through the process of building a business plan and technical assistance which includes a comprehensive assessment of the client’s skills and needs to build a solid foundation for business success.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Adirondack Economic Development Corporation**

Financial Uses			Financial Sources		
Project AC050 AEDC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$141,080	87%	\$70,540	\$70,540	\$0
Contractual Services/Curriculum/ Staff Development	4,700	3%	2,350	\$1,350	1,000
Project Expenses	17,150	11%	8,575	8,575	0
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$80,465</b>	<b>\$1,000</b>
% of Financial Sources		100%	50%	49%	1%

**Grantee Contact:** James Murphy, Executive Director  
Telephone: (518) 891-5523 ext. 101  
Fax: (518) 891-9820  
E-Mail: jamesmurphy52@me.com

**Project Team:** Program Director: Bette Yee  
Environmental: Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.



### SCHEDULE A-3

Bedford Stuyvesant Restoration Corporation  
Entrepreneurial Assistance Program, AC051

- Grantee:** Bedford Stuyvesant Restoration Corporation (“BSRC” or the “Corporation”)
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 1368 Fulton Street, Brooklyn, NY 11216
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

**Background:**

Company History – Bedford-Stuyvesant Restoration Corporation “BSRC”, the nation’s first community development corporation, is dedicated to working with residents and businesses to attain the comprehensive revitalization of Central Brooklyn. BSRC has been an active participant in community economic revitalization by providing technical assistance to new and existing businesses.

Ownership – Bedford Stuyvesant Restoration Corporation is a 501(c) (3) not-for-profit corporation.

ESD Involvement – New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Bedford Stuyvesant Restoration Corporation was awarded its first EAP grant in 2015. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, Bedford Stuyvesant Restoration Corporation has received approximately \$168,900.

**The Project:**

Completion – May 31, 2018

Activity – BSRC will provide services to individuals seeking to start or expand their business, and programs and services designed to help them identify and implement good business planning practices and to instill the concept of continuous learning over the life of their business.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Bedford Stuyvesant Restoration Corporation

Financial Uses			Financial Sources		
Project AC051 BSRC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$139,727	86%	\$70,795	\$56,766	\$12,166
Contractual Services/Curriculum/ Staff Development	3,552	2%	2,200	\$1,352	-
Project Expenses	19,651	12%	8,470	5,191	5,990
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$63,309</b>	<b>\$18,156</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>39%</b>	<b>11%</b>

**Grantee Contact(s):** Gordon Bell, Executive Vice President Strategy and Business  
**Telephone:** (718) 636-6984  
**Fax:** (718) 636-0511  
**E-Mail:** [gbell@restorationplaza.org](mailto:gbell@restorationplaza.org)

**Project Team:** Program Director Bette Yee  
 Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-4

### Binghamton Local Development Corporation Entrepreneurial Assistance Program, (AC052)

- Grantee:** Binghamton Local Development Corporation (“BLDC” or the “Corporation”)
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** Broome Community College - Center for Community Education 907 Upper Front Street, Binghamton, NY 13905
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Southern Tier Regional Economic Development Council with its goals to develop the region’s downtowns, commercial and retail opportunities by providing business services and other necessary assistance to new and aspiring entrepreneurs in the region.

#### **Background:**

Company History – The Binghamton Local Development Corporation exists to further sustainable economic development in the City of Binghamton by attracting new business, retaining and growing established business, building industrial and commercial capacity, promoting employment, and fostering entrepreneurship and innovation. BLDC will deliver the EAP program through a consortium entitled the Broome Triad. The Triad consists of the following three organizations, Broome Community College, The Broome Employment Center of Broome Tioga Workforce Development and The Broome County Urban League.

Ownership – Binghamton Local Development Corporation is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Binghamton Local Development Corporation was awarded its first grant in 1995. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, Binghamton Local Development Corporation has received approximately \$1,329,515 in EAP grant funds.

**The Project:**

Project Completion – May 31, 2018

Activity – Binghamton Local Development Corporation and The Broome Triad will provide assistance in enterprise development to minority group members, women, dislocated workers and individuals with special needs who are seeking to start their own business venture; or who are seeking to expand their early-stage firms.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget\_Binghamton Local Development Corporation

Financial Uses			Financial Sources		
Project AC052 BLDC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$122,390	75%	\$73,400	\$34,240	\$14,750
Contractual Services/Curriculum/ Staff Development	14,275	9%	4,275	\$0	10,000
Project Expenses	26,290	16%	3,790	6,500	16,000
<b>Total Project Costs</b>	<b>\$162,955</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$40,740</b>	<b>\$40,750</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>25%</b>	<b>25%</b>

**Grantee Contact:** Robert Murphy, Executive Director  
**Telephone:** (607) 772-7161  
**E-Mail:** [rcmurphy@cityofbinghamton.com](mailto:rcmurphy@cityofbinghamton.com)

**Project Team:** Program Director Bette Yee  
 Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-5

Business Outreach Center Network, Inc.  
Entrepreneurial Assistance Program, (AC072)

- Grantee:** Business Outreach Center Network, Inc.
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:**
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

**Background:**

Company History – The Business Outreach Center (BOC) Network is a not-for-profit membership organization dedicated to small business development and community-based job creation. BOC's mission is to improve the economic prospects of traditionally underserved groups, with a focus on low-and moderate-income entrepreneurs and their communities, and thereby create genuinely brighter futures.

Ownership – Business Outreach Center is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – The Business Outreach Center Network, Inc. was awarded its first EAP grant in 2016. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program's inception. To date, approximately \$61,250 of EAP grant funds have been disbursed to the Business Outreach Center Network, Inc.

**The Project:**

Project Completion – May 31, 2018

Activity – The EAP center will implement a 60-hour training program that will help participants learn the business skills to open or expand their businesses. Goals include client orientation, 60 hour training, technical assistance, and preparation of business action plans and other services to help clients achieve business success.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Business Outreach Center Network, Inc.**

Financial Uses			Financial Sources		
Project AC072 BOC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$139,840	86%	\$64,588	\$75,252	\$0
Contractual Services/Curriculum/ Staff Development	9,090	6%	8,877	213	0
Project Expenses	13,600	8%	8,000	6,000	0
<b>Total Project Costs</b>	<b>\$162,530</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$81,465</b>	<b>\$0</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>50%</b>	<b>0%</b>

**Grantee Contact(s):** Nancy Carin, Executive Director  
Telephone: (718) 624-9115 ext.1011  
Fax: (718) 246-1881  
E-Mail: [ncarin@bocnet.org](mailto:ncarin@bocnet.org)

**Project Team:** Program Director Bette Yee  
Environmental Rachel Shatz



**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-6

Business Training Institute, Inc.  
Entrepreneurial Assistance Program, (AC054)

- Grantee:** Business Training Institute, Inc. (the "Corporation")
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** The Radisson Centre - 200 Genesee Street, Utica, NY 13502
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Mohawk Valley Regional Economic Development Council strategies to ensure that the region maintains a focused business outreach and retention effort to stabilize existing businesses, promote an atmosphere that foster innovation and entrepreneurial growth.
- Background:**

Company History – The Entrepreneur Assistance Program Center was established over twenty-one years ago and is the only Entrepreneur Assistance Program serving Oneida, Madison and Herkimer counties.

Ownership – Business Training Institute, Inc. is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Business Training Institute, Inc. was awarded its first grant in 1995. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program's inception. To date, Business Training Institute has received approximately \$1,050,791 in EAP grant funds.

**The Project:**

Project Completion – May 31, 2018

Activity – The EAP center will implement a 60-hour training program that will help participants learn the business skills to open or expand their businesses. Goals include client orientation, 60 hour training, technical assistance, and preparation of business action plans and other services to help clients achieve business success.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Business Training Institute, Inc.**

Financial Uses			Financial Sources		
Project AC054 BTI EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$155,900	96%	\$74,435	\$81,465	\$0
Contractual Services/Curriculum/ Staff Development	3,651	2%	3,450	\$0	-
Project Expenses	3,580	2%	3,580	0	0
<b>Total Project Costs</b>	<b>\$163,131</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$81,465</b>	<b>\$0</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>50%</b>	<b>0%</b>

**Grantee Contact(s):** Dr. Patricia Laino, Executive Director  
**Telephone:** (315) 733-9848  
**Fax:** (315) 733-0247  
**E-Mail:** [lainoleo@aol.com](mailto:lainoleo@aol.com)

**Project Team:** Program Director: Bette Yee  
Environmental: Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-7

CAMBA, Inc.  
Entrepreneurial Assistance Program, (AC055)

- Grantee:** CAMBA, Inc.
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 2244 Church Avenue – 4<sup>th</sup> Floor, Brooklyn, NY 11226
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.
- Background:**

Company History – CAMBA's mission is to provide services that connect people with opportunities to enhance their quality of life. Since 1995 CAMBA Small Business Services has successfully operated an Entrepreneurial Assistance Program Center.

Ownership – CAMBA, Inc. is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – CAMBA, Inc. was awarded its first grant in 1995. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program's inception. To date, CAMBA, Inc. has received approximately \$1,049,679 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – CAMBA’s EAP center provides entrepreneurial training and technical assistance to low-income entrepreneurs in business formation for new enterprises and business expansion for existing businesses. CAMBA will provide a 10-week 60-hour business training course, with a focus on business plan development. In addition participants will receive technical assistance, loan packaging and assistance with acquiring financing.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget CAMBA, Inc.**

Financial Uses			Financial Sources		
Project AC055 CAMBA EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$152,336	93%	\$70,575	\$81,761	\$0
Contractual Services/Curriculum/ Staff Development	4,350	3%	4,350	0	0
Project Expenses	6,540	4%	6,540	0	0
<b>Total Project Costs</b>	<b>\$163,226</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$81,761</b>	<b>\$0</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>50%</b>	<b>0%</b>

**Grantee Contact:** Joanne M. Oplustil, Executive Director  
**Telephone:** (718)287-2600  
**Fax:** (718)856-4647  
**E-Mail:** [joanneO@camba.org](mailto:joanneO@camba.org)

**Project Team:** Program Director Bette Yee  
Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-8

Capital Chamber Foundation, Inc.  
Entrepreneurial Assistance Program, (AC056)

- Grantee:** The Capital Chamber Foundation, Inc.
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** Five Computer Drive South, Albany, NY 12205
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Capital Regional Economic Development Council goals to support small business development while encouraging and assisting entrepreneurs in the region with growth and development.
- Background:**

Company History – The Capital Chamber Foundation, Inc. provides technical assistance and financial assistance through the Entrepreneurial Assistance Program since 1991. The mission is to give opportunity to the targeted population of low to moderate income individuals, minorities, and women, individuals with special needs, dislocated workers and disenfranchised business owners to become successful entrepreneurs.

Ownership – Capital Chamber Foundation, Inc. of the Albany-Colonie Region Chamber is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – The Capital Chamber Foundation through its parent, the Albany Colonie Regional Chamber, was awarded its first grant in 1991. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program's inception. To date, The Capital Chamber Foundation and The Albany Colonie Region Chamber has to date received approximately \$1,353,416 in EAP grant funds.



**The Project:**

Completion – May 31, 2018

Activity – The Capital Chamber Foundation seeks to increase the number of successful businesses within the community by providing expert technical assistance and improved access to capital. This is done by providing a multitude of services including a 60-hour business training course, technical assistance and access to capital.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Capital Chamber Foundation, Inc.**

Financial Uses			Financial Sources		
Project AC056 CRCF EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$101,005	62%	\$75,065	\$25,940	\$0
Contractual Services/Curriculum/ Staff Development	26,633	16%	6,400	\$2,233	18,000
Project Expenses	35,292	22%	0	22,292	13,000
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$50,465</b>	<b>\$31,000</b>
% of Financial Sources		100%	50%	31%	19%

**Grantee Contact:** Patricia Maguire, Chief Operating Officer  
**Telephone:** (518) 431-1416  
**Fax:** (518) 431-1452  
**Email:** [pmaguire@capitalregionchamber.com](mailto:pmaguire@capitalregionchamber.com)

**Project Team:** Program Director: Bette Yee  
Environmental: Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-9

Chinatown Manpower Project, Inc.  
Entrepreneurial Assistance Program, (AC057)

- Grantee:** Chinatown Manpower Project, Inc.
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 70 Mulberry Street, New York, NY 10013
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

### Background:

Company History – Chinatown Manpower, founded in 1972, is a micro-enterprise/small business development alliance that delivers customized business services to under-served entrepreneurs in New York City.

Ownership – Chinatown Manpower, Inc. is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Chinatown Manpower, Inc. was awarded its first grant in 1995. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program's inception. To date, Chinatown Manpower, Inc. has received approximately \$942,532 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – Chinatown Manpower, Inc. assist small business owners and entrepreneurs and immigrants and refugees who are establishing their financial lives in this country. Chinatown Manpower, Inc. offers free one-on-one counseling, networking and referral services as well as relevant workshops and seminars.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Chinatown Manpower Project, Inc.**

Financial Uses			Financial Sources		
Project AC057 CMP EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$112,130	69%	\$65,743	\$44,233	\$2,155
Contractual Services/Curriculum/ Staff Development	20,566	13%	10,705	0	9,861
Project Expenses	30,234	19%	5,017	1,011	24,206
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$45,244</b>	<b>\$36,222</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>28%</b>	<b>22%</b>

**Grantee Contact:** Stephanie Lau, Assistant Executive Director  
 Telephone (212) 571-1691  
 Fax: (212) 571-1686  
 Email: [StephanieLau@cmpny.org](mailto:StephanieLau@cmpny.org)

**Project Team:** Program Director Bette Yee  
 Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-10

### Hofstra University Entrepreneurial Assistance Program, (AC058)

- Grantee:** Hofstra University
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 250 Hofstra University, Hempstead NY 11549
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Long Island Regional Economic Development Council initiatives to strengthen the economic activity and competitiveness of businesses located in the region.

#### **Background:**

Company History – Hofstra University is located in Hempstead NY and is surrounded by the communities of Hempstead, Freeport, New Cassel, Roosevelt and Uniondale which are classified as “economically distressed”. Hofstra University's Entrepreneurial Assistance Program provides many comprehensive programs consisting of entrepreneurship skills training, business management, technical assistance with linkages for accessing credit and capital for the target population.

Ownership – Hofstra University is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State's Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Hofstra University was awarded its first grant in 1990. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program's inception. To date, Hofstra University has received approximately \$2,669,366 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – Hofstra University’s Center for Entrepreneurship provides business assistance to minority group members, women, dislocated workers and individuals with special needs who are seeking to start or are starting their own business ventures or are seeking to expand their business.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Hofstra University

Financial Uses			Financial Sources		
Project AC058 HOFSTRA EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$166,394	85%	\$80,465	\$85,929	\$0
Contractual Services/Curriculum/ Staff Development	19,425	10%	1,000	11,000	7,425
Project Expenses	10,000	5%	0	0	10,000
<b>Total Project Costs</b>	<b>\$195,819</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$96,929</b>	<b>\$17,425</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>42%</b>	<b>49%</b>	<b>9%</b>

**Grantee Contact:** Judith Tyne, Associate Dean, Project Director  
**Telephone:** (516) 463-5285  
**Fax:** (516) 463-3907  
**E-Mail:** [Judith.Tyne@hofstra.edu](mailto:Judith.Tyne@hofstra.edu)

**Project Team:** Program Director: Bette Yee  
Environmental: Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.



## SCHEDULE A-11

Hot Bread Kitchen, Ltd.  
Entrepreneurial Assistance Program, (AC059)

- Grantee:** Hot Bread Kitchen, Ltd. ("HBK")
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 1590 Park Avenue, New York, NY 10029
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Long Island Regional Economic Development Council initiatives to strengthen the economic activity and competitiveness of businesses located in the region.

### Background:

Company History – Hot Bread Kitchen, Ltd. is an innovative nonprofit that builds lasting economic security for low-income immigrant and minority women and men by creating pathways to professional opportunities. Through their employer-driven workforce development and business incubator program they help individuals professionalize their skills and passion in the culinary arts, transcend common barriers to fair wage employment and achieve financial independence and success as bakers and food entrepreneurs. To date, Hot Bread Kitchen's incubator program, HBK Incubates, has only serviced start-up food businesses. However, their business enterprise support services, including financial and technical assistance, address broader business issues like financial planning and marketing. In 2015, Hot Bread Kitchen will begin providing business services to other types of businesses through the NYS Entrepreneurial Assistance Program.

Ownership – Hot Bread Kitchen, Ltd. is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Hot Bread Kitchen was awarded its first EAP grant in 2015. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, Hot Bread Kitchen has received approximately \$157,900 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – Hot Bread Kitchen for Entrepreneurship provides business assistance to minority group members, women, dislocated workers and individuals with special needs who are seeking to start or are starting their own business ventures or are seeking to expand their business.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Hot Bread Kitchen, Ltd.**

Financial Uses			Financial Sources		
Project AC059 HBK EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$147,500	91%	\$73,750	\$73,750	\$0
Contractual Services/Curriculum/ Staff Development	7,930	5%	3,965	\$3,965	-
Project Expenses	7,500	5%	3,750	500	3,250
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$78,215</b>	<b>\$3,250</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>48%</b>	<b>2%</b>

**Grantee Contact:** Debbie Kellogg, Development Manager  
**Telephone:** (212) 369-3331 ext. 109  
**E-Mail:** dkellogg@hotbreadkitchen.org

**Project Team:** Program Director Bette Yee  
 Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-12

### IBERO American Action League EAP Center/Medaille College Entrepreneurial Assistance Program, (AC061)

- Grantee:** IBERO American Action League (“IBERO” or the “Corporation”)
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018
- Project Location:** Medaille College, 18 Agassiz Circle, Buffalo NY 14214
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Western New York Regional Economic Development Council initiative to foster a strong culture of entrepreneurship through training, incubators and public awareness.
- Background:**

Company History – Erie and Niagara counties where IBERO American Action League has been operating an Entrepreneurial assistance Center since 2008 are economically distressed regions of the state.

Ownership – IBERO American Action League is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - IBERO American Action was awarded its first grant in 2008. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, IBERO American Action League has received approximately \$797,700 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – IBERO will hold at least 1 60-hour business training session starting in September 2014 and another possibly in the spring of 2013. IBERO will work with current business owners who are successfully operating their own businesses as well as those looking to start a business. Other services provided will be technical assistance and access to capital.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget IBERO American Action League EAP Center/Medaille College

Financial Uses			Financial Sources		
Project AC061 IBERO BUFFALO EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$123,593	72%	\$74,352	\$36,620	\$12,620
Contractual Services/Curriculum/ Staff Development	12,076	7%	2,300	4,138	5,638
Project Expenses	36,475	21%	4,813	5,356	26,606
<b>Total Project Costs</b>	<b>\$172,144</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$46,114</b>	<b>\$44,864</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>47%</b>	<b>27%</b>	<b>26%</b>

**Grantee Contact:** Gladys Burgos, Vice President of Operations  
**Telephone:** (585) 256-8900 ext. 634  
**Fax:** (585) 442-0683  
**E-Mail:** [gladys.burgos@iaal.org](mailto:gladys.burgos@iaal.org)

**Project Team:** Program Director: Bette Yee  
Environmental: Rachel Shatz

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

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction

## SCHEDULE A-13

### IBERO American Action League/Waverly Center Entrepreneurial Assistance Program, (AC060)

- Grant Recipient:** IBERO American Action League, Inc.
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 106 Chemung Street, Waverly, NY 14892
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Southern Tier Regional Economic Development Council with its goals to develop the region's downtowns, commercial and retail opportunities by providing business services and other necessary assistance to new and aspiring entrepreneurs in the region.
- Background:**

Company History – IBERO American League, Inc. absorbed all operations and assets of Worker Ownership Resource Center which was the original grantee for the EAP in Waverly, New York. The program has been assisting women and low-income individuals located in distressed communities along the Southern Tier regions of Upstate New York since 1995.

IBERO American Action League, Inc. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program began. To date, the EAP in Waverly has received approximately \$1,142,053 in EAP grant funds.

**The Project:**

Completion - May 31, 2018

Activity – EAP plays a crucial role in the continuing effort to develop and maintain small business owners in these areas, by providing 60-hour training and 10-hours of technical assistance.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget IBERO American Action League/Waverly Center**

Financial Uses			Financial Sources		
Project AC060 IBERO WAVERLY EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$134,321	78%	\$61,080	\$36,620	\$36,620
Contractual Services/Curriculum/ Staff Development	11,676	7%	2,400	4,138	5,138
Project Expenses	27,197	16%	17,985	4,606	4,606
<b>Total Project Costs</b>	<b>\$173,194</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$45,364</b>	<b>\$46,364</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>47%</b>	<b>26%</b>	<b>27%</b>

**Grantee Contact:** Gladys Burgos, Vice President of Operations  
**Telephone:** (585) 256-8900 ext. 634  
**Fax:** (585) 442-0683  
**E-Mail:** [gladys.burgos@iaal.org](mailto:gladys.burgos@iaal.org)

**Project Team:** Program Director: Bette Yee  
Environmental: Rachel Shatz



**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-14

### Local Development Corporation of East New York Entrepreneurial Assistance Program, (AC062)

- Grantee:** Local Development Corporation of East New York (“LDCENY”)
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 80 Jamaica Avenue, Brooklyn, NY 11207
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.
- Background:**

Company History – The Local Development Corporation of East New York empowers low-to-moderate income women and minorities with programs that promote economic sufficiency, build assets and improve their lives and those of their families. By actively working with local businesses to retain and build industry and commerce, the Local Development Corporation creates jobs and improves economic opportunities for local residents and neighborhood enterprises.

Ownership – The LDCENY is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – The LDCENY was awarded its first grant in 1990. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, LDCENY has received approximately \$942,700 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – The goal of the project is to stimulate local economic development by providing existing businesses the training, technical competence and financing required to stay in business and expand their operation.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Program Budget Local Development Corporation of East New York

Financial Uses			Financial Sources		
Project AC062 LDCENY EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$130,591	80%	\$52,591	\$78,000	\$0
Contractual Services/Curriculum/ Staff Development	20,665	13%	17,200	3,465	\$0
Project Expenses	11,674	7%	11,674	0	0
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$81,465</b>	<b>\$0</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>50%</b>	<b>0%</b>

**Grantee Contact:** Sherry Roberts, Executive Director  
Telephone: (718) 385-6700 ext. 11  
Fax: (718) 385-7505  
E-Mail: [sherry@ldcenyn.org](mailto:sherry@ldcenyn.org)

**Project Team:** Program Director Bette Yee  
Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-15

Queens Economic Development Corporation  
Entrepreneurial Assistance Program, (AC063)

- Grant Recipient:** Queens Economic Development Corporation
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 122-55 Queens Blvd, Kew Gardens NY 11424
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

### **Background:**

Company History - Queens Economic Development Corporation has been active for 40 years with a mission to create and retain jobs through programming that grows the surrounding neighborhood and assists small businesses, promotes tourism and marketing of Queens County.

Ownership - Queens Economic Development Corporation is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - Queens Economic Development Corporation was awarded its first grant in 1992. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program's inception. To date, Queens Economic Development Corporation has received approximately \$1,827,107 in EAP grant funds.

**The Project:**

Completion - May 31, 2018

Activity – EAP is designed for individuals committed to starting a business or who need further assistance in the growth of their existing business. Through the 60 hour training course, and actionable “to-do” items during consultations, clients are consistently encouraged to setup follow-up appointments to continue to work on their business development and seek additional services in order to access a minimum of 10-hours of technical assistance.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Queens Economic Development Corporation**

Financial Uses			Financial Sources		
Project AC063 QEDC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$149,930	92%	\$80,465	\$69,465	\$0
Contractual Services/Curriculum/ Staff Development	1,500	1%	1,000	500	-
Project Expenses	12,000	7%	0	0	12,000
<b>Total Project Costs</b>	<b>\$163,430</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$69,965</b>	<b>\$12,000</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>43%</b>	<b>7%</b>

**Grantee Contact(s):** Seth Bornstein, Executive Director  
**Telephone:** (718) 263-0546  
**Fax:** (718) 263-0595  
**E-Mail:** sbornstein@queensny.org

**Project Team:** Program Director: Bette Yee  
Environmental: Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-16

### Renaissance Economic Development Corporation Entrepreneurial Assistance Program, (AC064)

- Grant Recipient:** Renaissance Economic Development Corporation
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 2 Allen Street, 7<sup>th</sup> Floor, New York, NY 10002
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

#### **Background:**

Company History - Renaissance Economic Development Corporation has been established since 1997 dedicated to providing financial and technical assistance to minority and women owned business enterprises in immigrant and/or low to moderate-income communities where the barriers of language, culture, and conventional loan underwriting have stymied the growth of micro and small businesses.

Ownership – Renaissance Economic Development Corporation is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Renaissance Economic Development Corporation was awarded its first grant in 1997. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program's inception. To date, Renaissance Economic Development has received approximately \$1,471,316 in EAP grant funds.



**The Project:**

Completion - May 31, 2018

Activity – EAP provides enterprise formation assistance to startups and enterprise expansion assistance to young businesses in immigrant and minority communities with a focus on assisting minority and women entrepreneurs.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Renaissance Economic Development Corporation**

Financial Uses			Financial Sources		
Project AC064 REDC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$131,807	81%	\$65,107	\$66,700	\$0
Contractual Services/Curriculum/ Staff Development	9,605	6%	6,840	2,765	\$0
Project Expenses	21,518	13%	9,518	12,000	\$0
Total Project Costs	\$162,930	100%	\$81,465	\$81,465	\$0
% of Financial Sources		100%	50%	50%	0%

**Grantee Contact(s):** Siu Kwan Chan, Managing Director  
**Telephone:** (212) 964-6022  
**Fax:** (212) 964-6003  
**E-Mail:** siukwanc2000@yahoo.com

**Project Team:** Program Director Bette Yee  
Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-17

### South Bronx Overall Economic Development Corporation Entrepreneurial Assistance Program, (AC065)

- Grant Recipient:** South Bronx Overall Economic Development Corp. ("SoBRO")
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 555 Bergen Avenue, Bronx, NY 10455
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

#### **Background:**

Company History – SoBRO's mission is to enhance the quality of life in the South Bronx by strengthening businesses and creating and implementing innovative economic, housing, educational, and career development programs for youth and adults. SoBRO was established in 1972 to reverse the flight of businesses and jobs from the South Bronx. Recognizing that rebuilding a community had to be a multifaceted effort that required replacing vacant lots with businesses and housing, addressing poverty by creating jobs and training people for those jobs, and ensuring a brighter future for the community's young people. SoBRO's programming has expanded over the years to meet the growing needs of this Bronx community, in particular assisting those microenterprises in the South Bronx for the past 20 years through its Entrepreneurial Development Program. The problems facing aspiring micro-entrepreneurs in the community are twofold: lack of entrepreneurial know-how and availability of credit.

Ownership – South Bronx Overall Economic Development Corp. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and

support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – SoBRO was awarded its first grant in 1996 EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program’s inception. To date, SoBRO has received approximately \$1,442,353 in EAP grant funds.

**The Project:**

Completion - May 31, 2018

Activity – EAP fills a critical void in the entrepreneurial development of the Bronx; SoBRO is strategically located in the heart of the South Bronx at the core of the NYC Empowerment Zone and the State’s Empire Zone. The program delivers quality training and assistance designed to cater to the distinct needs of clients in this high needs area.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget South Bronx Overall Economic Development Corporation

Financial Uses			Financial Sources		
Project AC065 SoBRO EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$124,860	76%	\$59,040	\$51,660	\$14,160
Contractual Services/Curriculum/ Staff Development	23,019	14%	13,612	1,907	7,500
Project Expenses	17,153	10%	8,813	0	8,340
<b>Total Project Costs</b>	<b>\$165,032</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$53,567</b>	<b>\$30,000</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>49%</b>	<b>32%</b>	<b>18%</b>

**Grantee Contact:** Johanna DeJesus, Senior Vice President of Program & Operations  
**Telephone:** (718)  
**Fax:** (718) 292-3115  
**E-Mail:** [jdejesus@sobro.org](mailto:jdejesus@sobro.org)

**Project Team:**

Program Director  
Environmental

Bette Yee  
Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction

## SCHEDULE A-18

SoBRO Venture  
Entrepreneurial Assistance Program Center, (AC073)

- Grant Recipient:** South Bronx Overall Economic Development Corporation
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 199 Lincoln Avenue, Bronx New York 10454
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.
- Background:**

Company History – The SoBRO Venture Center Entrepreneurial Development Program successfully assists microenterprises in the South Bronx. Established in 2016, the program is an offset of the EAP Center at the SoBRO headquarters. The SoBRO Venture Center Entrepreneurial Development Program focuses on providing services in Spanish to Spanish-speaking emerging entrepreneurs and established business owners. This premier program is the first of its kind in the borough and is the most culturally-accessible and comprehensive entre to small business ownership for Spanish-speaking New Yorkers, many of whom are immigrants. In addition to the entrepreneurial curriculum of the course, the SoBRO EAP provides students access to all of our organizations programs and services.

Ownership – South Bronx Overall Economic Development Corp. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – SoBRO Venture was awarded its first grant in 2016 EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program’s inception. To date, SoBRO has received approximately \$61,250 in EAP grant funds.

**The Project:**

Completion - May 31, 2018

Activity – EAP fills a critical void in the entrepreneurial development of the Bronx; SoBRO is strategically located in the heart of the South Bronx at the core of the NYC Empowerment Zone and the State’s Empire Zone. The program delivers quality training and assistance designed to cater to the distinct needs of clients in this high needs area.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget SoBRO Venture**

Financial Uses			Financial Sources		
Project AC073 SoBRO VENTURE EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$107,951	66%	\$64,494	\$24,643	\$18,814
Contractual Services/Curriculum/ Staff Development	32,093	20%	12,050	12,357	7,686
Project Expenses	22,921	14%	4,921	14,500	3,500
<b>Total Project Costs</b>	<b>\$162,965</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$51,500</b>	<b>\$30,000</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>32%</b>	<b>18%</b>

**Grantee Contact:** Johanna DeJesus, Senior Vice President of Program & Operations  
 Telephone: (718) 732-7610  
 Fax: (718) 292-3115  
 E-Mail: [jdejesus@sobro.org](mailto:jdejesus@sobro.org)

**Project Team:** Program Director: Bette Yee  
 Environmental: Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.



## SCHEDULE A-19

### Suffolk County Community College Entrepreneurial Assistance Program, (AC066)

- Grant Recipient:** Suffolk County Community College (“SCCC”)
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from July 1, 2017 through June 30, 2018.
- Project Location:** Sally Ann Slacke Building, Michael J. Grant Campus  
1001 Crooked Hill Road, Brentwood NY 11717
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Long Island Regional Economic Development Council initiatives to strengthen the economic activity and competitiveness of businesses located in the region.

**Background:**

Company History – Suffolk County Community College is a two-year unit of the State University of New York (SUNY). It is the largest community college in the SUNY system, enrolling 26,719 students. It offers 70 degree and certificate programs. There are three (3) campuses and two downtown satellite educational centers. The campuses are Michael J Grant in Brentwood, Ammerman in Selden and the Eastern Campus in Riverhead. The downtown satellite locations are in Sayville, and Riverhead.

Ownership – Suffolk Community College is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Suffolk Community College was awarded its first grant in 1994. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program’s inception. To date, SCCC has received approximately \$886,400 in EAP grant funds.

**The Project:**

Completion - June 30, 2018

Activity – EAP is a resource for Suffolk County residents interested in starting and/or expanding their businesses. SCCC conducts several programs geared towards empowering clients with information in creating and developing a business enterprise.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Suffolk County Community College

Financial Uses			Financial Sources		
Project AC066 SCCC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$106,168	65%	\$65,435	\$40,733	\$0
Contractual Services/Curriculum/ Staff Development	9,365	6%	9,365	\$0	
Project Expenses	47,398	29%	6,665	0	40,733
<b>Total Project Costs</b>	<b>\$162,931</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$40,733</b>	<b>\$40,733</b>
% of Financial Sources		100%	50%	25%	25%

**Grantee Contact:** Dr. Daphne M. Gordon, Director  
Telephone: (631) 851-6206  
Fax: (631) 851-6222  
E-Mail: [gordond@suffolk.edu](mailto:gordond@suffolk.edu)

**Project Team:** Program Director Bette Yee  
Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-20

### South Side Innovation Center Entrepreneurial Assistance Program, (AC067)

- Grant Recipient:** Syracuse University
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 2610 South Salina, Syracuse NY 13205
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Central New York Regional Economic Development Council initiatives to support the regions businesses efforts to compete in the global economy, expand their recent efforts to invest in entrepreneurs and risk-takers and play an important role in reflecting that the regions small businesses drive regional and national economy.

#### **Background:**

Company History – Syracuse University supports entrepreneurs with results oriented services, including networking, technical training that develops problem-solving skills, classroom instruction, and provide financing assistance to help them succeed as they take the next step in developing their business.

Ownership – Syracuse University is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Syracuse University was awarded its first grant in 2008. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program's inception. To date, Syracuse University has received approximately \$756,000 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – EAP provides hands on counseling, training, mentoring to entrepreneurs including new and early stage of a business. The Center incubates businesses which develop a three year timeline. Assists at least 10% of total clientele in creating a business, of which at least 30-50 begin operating within that 12-month period. Also provides assistance to existing companies and creates a minimum of 50 jobs.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget South Side Innovation Center**

Financial Uses			Financial Sources		
Project AC067 SSIC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$113,138	69%	\$60,313	\$52,825	\$0
Contractual Services/Curriculum/ Staff Development	9,692	6%	3,442	2,750	3,500
Project Expenses	40,100	25%	17,710	22,390	0
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$77,965</b>	<b>\$3,500</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>48%</b>	<b>2%</b>

**Grantee Contact:** Meghan MacBlane, Research Administrator  
 Telephone: (315) 443-2807  
 Fax: (315) 443-9361  
 E-Mail: [mtmachbla@syr.edu](mailto:mtmachbla@syr.edu)

**Project Team:** Program Director Bette Yee  
 Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-21

Urban League of Rochester, N.Y., Inc.  
Entrepreneurial Assistance Program, (AC068)

- Grant Recipient:** Urban League of Rochester, N.Y., Inc.
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 265 North Clinton Ave, Rochester NY 14605
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Finger Lakes Regional Economic Development Council initiative to Optimize Business Creation, Retention and Expansion in the region.
- Background:**

Company History – Urban League of Rochester, N.Y., Inc. was founded in 1965 as a community-based, non-profit affiliate of the National Urban League providing direct services to low-income and minority individuals within the Rochester metropolitan area and surrounding counties.

Ownership – Urban League of Rochester, N.Y., Inc. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support- Urban League of Rochester, N.Y., Inc. was awarded its first grant in 1991. EAP grants are based on the availability of funds and have ranged from \$35,294 to \$99,593 since the program's inception. To date, Urban League of Rochester, N.Y., Inc. has received approximately \$1,789,177 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – EAP provides business development services to minorities, women, dislocated workers, economically disadvantaged individuals and people with special needs, who are seeking to start a business, are in the process of starting their own business ventures, or are early-stage firms (businesses already existing for less than 5 years). Services provided include information about starting a business, start-up assistance, business development business retention, and business expansion services through intensive workshops and one-on-one technical assistance.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Project Budget Urban League of Rochester, N.Y., Inc**

Financial Uses			Financial Sources		
Project AC068 URL EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$97,574	60%	\$67,812	\$15,215	\$14,547
Contractual Services/Curriculum/ Staff Development	34,566	21%	5,007	10,809	18,750
Project Expenses	30,790	19%	8,646	14,708	7,436
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$40,732</b>	<b>\$40,733</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>25%</b>	<b>25%</b>

**Grantee Contact:** William G. Clark, President/CEO  
**Telephone:** (585) 325-6530 ext. 3003  
**Fax:** (585) 325-4864  
**E-Mail:** wclark@ulr.org

**Project Team:** Program Director Bette Yee  
 Environmental Rachel Shatz



**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-22

### Washington Heights and Inwood Development Corporation Entrepreneurial Assistance Program, (AC069)

- Grant Recipient:** Washington Heights and Inwood Development Corporation
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 57 Wadsworth Avenue, New York NY 10033
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.
- Background:**

Company History – Washington Heights and Inwood Development Corporation was incorporated in 1978 and has provided business development services since its inception. It provides both classroom and one-on-business development assistance, legal assistance and business loans of up to \$50,000 to businesses in Upper Manhattan and the Bronx.

Ownership – Washington Heights and Inwood Development Corporation is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - Washington Heights and Inwood Development Corporation was awarded its first grant in 2008. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program's inception. To date, Washington Heights and Inwood Development Corporation has received approximately \$707,200 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – EAP will help build and strengthen commercial activity by providing local minority and/or women entrepreneurs with intensive business assistance and training. The Program will provide businesses and entrepreneurs with the tools necessary to allow them to start, sustain and/or expand their businesses, fueling local economic development, increasing local business equity and creating job growth. The target audience consists of minorities and women, including recent immigrants and limited-English speaking participants.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

**EAP Program Budget Washington Heights and Inwood Development Corporation**

Financial Uses			Financial Sources		
Project AC069 WHDC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$122,945	75%	\$79,265	\$43,680	\$0
Contractual Services/Curriculum/ Staff Development	15,300	9%	2,200	\$7,100	6,000
Project Expenses	24,685	15%	0	24,685	0
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$75,465</b>	<b>\$6,000</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>46%</b>	<b>4%</b>

**Grantee Contact:** Dennis C. Reeder, Executive Director  
 Telephone: (212) 795-1600  
 Fax: (212) 781-4051  
 E-Mail: whidc@aol.com

**Project Team:** Program Director: Bette Yee  
 Environmental: Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-23

### Women's Enterprise Development Center Inc. (Westchester Center) Entrepreneurial Assistance Program, (AC070)

- Grant Recipient:** Women's Enterprise Development Center Inc.
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** 1133 Westchester Avenue, Suite N-220, White Plains NY 10604
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Mid-Hudson Regional Economic Development Council goals to promote entrepreneurship, start-ups, and small businesses through a variety of measures that include business training, technical assistance, and access to capital.

#### **Background:**

Company History – Women's Enterprise Development Center Inc. began in 1997 as a pilot program with 12 students in a 15-week entrepreneurial training program in Yonkers. In 2003, it was designated an SBA women's business center for Westchester County and the Lower Hudson Valley. It is the only organization in the area that provides entrepreneurs with the entire range of vital small business services; from helping clients develop a business idea to helping them maintain and grow a successful enterprise.

Ownership – Women's Enterprise Development Center Inc. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – In 2015 Women's Enterprise Development Center Inc. expanded its reach to other areas of the Mid-Hudson Region including Dutchess, Orange, Sullivan, Ulster and Putnam counties under a new grant. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program's inception. To date, Women's Enterprise Development Center Inc. (Westchester Center) has received approximately \$694,200 in EAP grant funds.

**The Project:**

Completion – May 31, 2018

Activity – The EAP training model consists of in-depth multi-course training program covering the full range of entrepreneurial development issues at all stages of business development. The program is offered in both English and Spanish.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Women’s Enterprise Development Center Inc. (Westchester Center)

Financial Uses			Financial Sources		
Project AC070 WEDC EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$113,900	70%	\$56,000	\$57,900	\$0
Contractual Services/Curriculum/ Staff Development	27,165	17%	14,665	12,500	\$0
Project Expenses	21,865	13%	10,800	11,065	\$0
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$81,465</b>	<b>\$0</b>
	% of Financial Sources	100%	50%	50%	0%

**Grantee Contact:** Anne Janiak, Executive Director  
Telephone: (914) 948-6098 ext. 12  
Fax: (914) 470-2972  
E-Mail: [ajaniak@westchester.org](mailto:ajaniak@westchester.org)

**Project Team:** Program Director Bette Yee  
Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

## SCHEDULE A-24

### Women's Enterprise Development Center Inc. (Poughkeepsie Center) Entrepreneurial Assistance Program, (AC071)

- Grant Recipient:** Women's Enterprise Development Center Inc.
- ESD Investment:** A grant of up to \$81,465 will be awarded to cover operating expenses, training and technical assistance from June 1, 2017 through May 31, 2018.
- Project Location:** Office of Economic Development, 3 Neptune Road  
Poughkeepsie, NY 12601
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Mid-Hudson Regional Economic Development Council goals to promote entrepreneurship, start-ups, and small businesses through a variety of measures that include business training, technical assistance, and access to capital.
- Background:**

Company History – Women's Enterprise Development Center Inc. began in 1997 as a pilot program with 12 students in a 15-week entrepreneurial training program in Yonkers. In 2003, it was designated an SBA women's business center for Westchester County and the Lower Hudson Valley. It is the only organization in the area that provides entrepreneurs with the entire range of vital small business services; from helping clients develop a business idea to helping them maintain and grow a successful enterprise.

Ownership – Women's Enterprise Development Center Inc. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support Women's Enterprise Development Center Inc. was awarded its first grant in 2008. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program's inception. To date, Women's Enterprise Development Center Inc. (Poughkeepsie Center) has received approximately \$168,900 in EAP grant funds.



**The Project:**

Completion – May 31, 2018

Activity – The EAP training model consists of in-depth multi-course training program covering the full range of entrepreneurial development issues at all stages of business development. The program is offered in both English.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Women’s Enterprise Development Center Inc. (Poughkeepsie Center)

Financial Uses			Financial Sources		
Project AC071 WEDC MHV EAP Budget FY17/18	Project Amount	% Uses	ESD Grant	Cash Match \$40,732 Minimum	In-Kind Match
Salaries /Fringe	\$123,605	76%	\$71,705	\$51,900	\$0
Contractual Services/Curriculum/ Staff Development	9,265	6%	6,700	\$2,565	\$0
Project Expenses	30,060	18%	3,060	0	27,000
<b>Total Project Costs</b>	<b>\$162,930</b>	<b>100%</b>	<b>\$81,465</b>	<b>\$54,465</b>	<b>\$27,000</b>
<b>% of Financial Sources</b>		<b>100%</b>	<b>50%</b>	<b>33%</b>	<b>17%</b>

**Grantee Contact:** Anne Janiak, Executive Director  
 Telephone: (914) 948-6098 ext. 12  
 Fax: (914) 470-2972  
 E-Mail: [ajaniak@westchester.org](mailto:ajaniak@westchester.org)

Barbara Venturi, Chief Operating Officer  
 Telephone: (914) 948-6098 Ext. 11  
 Fax: (914) 470-2972  
 E-mail: [bventuri@wedcbiz.org](mailto:bventuri@wedcbiz.org)

**Project Team:** Program Director Bette Yee  
 Environmental Rachel Shatz

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$40,732) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$40,732) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$8,146) until all of the tasks and reports have been completed to ESD's satisfaction.

**Item V. A.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Contract for Research Services of the New York State Onion Industry through Cornell University

REQUEST FOR: Authorization to Enter into a Contract for Research Services of the New York State Onion Industry relating to the Marketing Order Program; and Authorization to Take Related Actions

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CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: Cornell University ("Cornell" or the "Contractor")

Scope of Services: Contractor to provide research of the onion industry through Cornell's Department of Entomology, School of Integrative Plant Science, and the Cornell Cooperative Extension Vegetable Program

Contract Term: 12 months; this Contract may be extended for up to five additional years, upon mutual agreement in writing by the parties. The total term of the Contract shall not exceed six years.

Contract Amount: Not to exceed \$28,000

Funding Source(s): Funds received through the Onion Research and Development Program

II. Background

As part of the 2016-17 Budget, the Marketing Order Program (the "Program") was transferred from the Department of Agriculture and Markets (the "Department") to ESD. Marketing orders are voluntary programs that are initiated and approved by the industry. Orders are enforced by State and Federal governments after farmers or other agriculture producers approve their establishment through voting in a producer referendum. Marketing orders enhance the orderly marketing of products through a variety of terms and conditions including provisions for minimum pricing, audits of receipts, disposition and payments to support the order, and dissemination of market information. Combined, these orders generate approximately \$15

million in industry funds annually which are used to market and promote the subject products, support market and production research, and reimburse administrative costs of the Program.

In accordance with the State Budget, at its meeting in May of last year, the Directors authorized the Corporation to take over and administer the Program. As part of the Program transfer, the existing marketing orders remained, but administration of them was transferred to ESD. The Department continues to be involved in all aspects of the Program and provides administrative support for ESD through a contract entered into between the Department and ESD. Existing contracts entered into by the Department at the time of Program transfer were assigned to ESD. ESD is authorized to enter any new contracts needed to administer the Program upon the recommendation of the Department. The legislation transferring the Program to ESD exempts these contracts from competitive bidding requirements.

Currently, the Directors are requested to enter into a contract with Cornell University to conduct two onion research projects through Cornell's Department of Entomology, School of Integrative Plant Science, and the Cornell Cooperative Extension Vegetable Program.

### III. Contractor Selection Process

Annually, the Onion Research and Development Program Advisory Board established pursuant to the Program recommends an assessment on New York State onion growers based on their projected annual income. The assessments are used to fund the Program's research projects.

The Department has a longstanding relationship with Cornell University for research and development projects related to the Onion Research and Development Program. The Advisory Board reviews the research proposals and recommends the specific projects to be funded, as well as their corresponding scopes of work and budgets. These recommendations are sent to the President and CEO of ESD for approval.

### IV. Scope of Work

The Contractor will provide the following research services:

1. *Project #1: Evaluation of New Fungicides for Control of Soil-borne Diseases in Muck-Grown Direct Seeded Onions*
  - a. Objectives:
    - i. Evaluate new pipeline seed treatment for onion smut, EverGol Prime for control of onion smut when used with commercial seed coatings and seed treatments
    - ii. Determine necessity of in-furrow treatments, Ridomil and mancozeb when seed is treated with EvorGol Prime
    - iii. Evaluate new pipeline fungicide, Fontelis as a soil treatment for control of pink root
  - b. Outcome and Benefits Expected:

- i. Identify proven performance of new products
    - ii. Develop effective strategies before they hit the market
  - c. Funding: \$8,000
- 2. *Project #2: Evaluating novel tools, delivery techniques, and application strategies for managing onion insect pests*
  - a. Objectives:
    - i. Re-evaluate clothianidin + imidacloprid seed treatment for onion maggot control
    - ii. Evaluate Minecto Pro in a season-long sequence plus various tank mixes for onion thrips control
    - iii. Evaluate earlier application timings of spirotetramat to manage onion thrips
    - iv. Determine if Exirel and Minecto Pro can knock down a high population of onion thrips
  - b. Outcome and Benefits Expected:
    - i. Identify another seed treatment product that can be rotated with FarMore FI500 to mitigate insecticide resistance
    - ii. Expect Minecto Pro will be an outstanding product for managing onion thrips infestations
    - iii. Discover if Movento performs better when applied earlier in the season and whether one or two applications provides the longest duration of control
    - iv. Determine whether Exirel and Minecto Pro have the ability to knock down a high population of thrips
  - c. Funding: \$20,000 (continued funding)

#### V. Contract Term, Price and Funding

This contract term is expected to be twelve months for an amount not to exceed \$28,000. The source of funding for the contract will be the funds received through the Onion Research and Development Program.

Unless terminated early as provided for in Article 3 of Schedule A, or extended as described in this paragraph, the services described in the ORDP 2017-18 Research Proposals shall be performed by the Contractor beginning April 1, 2017 and ending March 31, 2018. This Contract may be extended for up to five (5) additional years, upon mutual agreement in writing by the parties. The total term of the Contract shall not exceed six (6) years, except as may be necessary to carry out the provisions of Article 2 of Schedule A.

#### VI. Responsible Party

Staff has examined the proposed contractor's "responsibility" as defined in State Finance Law §163, and as provided in ESD's Procurement Guidelines. Based on this analysis of financial and organizational capacity, legal authority to do business in New York, integrity of principals, and

past performance on contracts, staff concludes that the proposed contractor is a responsible vendor.

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

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified Minority and Women-owned Business Enterprises ("MWBE") and Service Disabled Veteran-Owned Businesses ("SDVOB") in the performance of ESD projects and procurements. The ESD Office of Contract and Supplier Diversity has reviewed the contract and determined that it is not practical or feasible to assign MWBE and SDVOB participation goals to expenditures made under this program. As such, participation goals will not be established or required.

#### VIII. Environmental Review

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

#### IX. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed Contractor; (2) authorize the Corporation to enter into a contract with Cornell University for \$28,000; and (3) take all related actions.

#### X. Recommendation

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

#### Attachment

Resolutions

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter into a Contract for Research Services of the New York State Onion Industry relating to the Marketing Order Program; and Authorization 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 Cornell University to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Cornell University for a total contract amount of Twenty Eight Thousand Dollars (\$28,000) 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 and 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.

\* \* \*



**Item V. B.**



FOR CONSIDERATION

July 27, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Contract for Research Services of the New York State Cabbage Industry through Cornell University

REQUEST FOR: Authorization to Enter into a Contract for Research Services of the New York State Cabbage Industry relating to the Marketing Order Program; and Authorization to Take Related Actions

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CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: Cornell University ("Cornell" or the "Contractor")

Scope of Services: Contractor to provide research of the cabbage industry through Cornell's School of Integrative Plant Science, the Department of Entomology, and the Cornell Cooperative Extension Vegetable Program

Contract Term: 12 months; this Contract may be extended for up to five additional years, upon mutual agreement in writing by the parties. The total term of the Contract shall not exceed six years.

Contract Amount: Not to exceed \$33,796

Funding Source(s): Funds received through the Cabbage Research and Development Program

II. Background

As part of the 2016-17 Budget, the Marketing Order Program (the "Program") was transferred from the Department of Agriculture and Markets (the "Department") to ESD. Marketing orders are voluntary programs that are initiated and approved by the industry. Orders are enforced by State and Federal governments after farmers or other agriculture producers approve their establishment through voting in a producer referendum. Marketing orders enhance the orderly marketing of products through a variety of terms and conditions including provisions for minimum pricing, audits of receipts, disposition and payments to support the order, and dissemination of market information. Combined, these orders generate approximately \$15

million in industry funds annually which are used to market and promote the subject products, support market and production research, and reimburse administrative costs of the Program.

In accordance with the State Budget, at its meeting in May of last year, the Directors authorized the Corporation to take over and administer the Program. As part of the Program transfer, the existing marketing orders remained, but administration of them was transferred to ESD. The Department continues to be involved in all aspects of the Program and provides administrative support for ESD through a contract entered into between the Department and ESD. Existing contracts entered into by the Department at the time of Program transfer were assigned to ESD. ESD is authorized to enter any new contracts needed to administer the Program upon the recommendation of the Department. The legislation transferring the Program to ESD exempts these contracts from competitive bidding requirements.

Currently, the Directors are requested to enter into a contract with Cornell University to conduct four cabbage research projects through Cornell's School of Integrative Plant Science, the Department of Entomology, and the Cornell Cooperative Extension Vegetable Program.

### III. Contractor Selection Process

Annually, the Cabbage Research and Development Program Advisory Board established pursuant to the Program recommends an assessment on New York State cabbage growers based on their projected annual income. The assessments are used to fund the Program's research projects.

The Department has a longstanding relationship with Cornell University for research and development projects related to the Cabbage Research and Development Program. The Advisory Board reviews the research proposals and recommends the specific projects to be funded, as well as their corresponding scopes of work and budgets. These recommendations are sent to the President and CEO of ESD for approval.

### IV. Scope of Work

The Contractor will provide the following research services:

1. *Project #1: Nitrogen Dynamics in Cabbage Part IV: Use of Nitrogen Stabilizers, Cont.*
  - a. Objectives:
    - i. Evaluate use of nitrification inhibitor, nitrapyrin applied at planting and at side-dressing for improved efficiency of nitrogen use in cabbage production
    - ii. Evaluate optimal rate and timing of nitrogen application for maximum efficiency in summer cabbage production
  - b. Outcome and Benefits Expected:
    - i. Improving the efficiency of growers' nitrogen use will result in reduced environmental contamination and/or lodging of winter wheat

- ii. Improving the understanding and predictability of the use of nitrogen stabilizers will further improve nitrogen efficiencies in cabbage
  - c. Funding: \$6,000 (continued funding)
- 2. *Project #2: Evaluating insecticides for managing diamondback moth in cabbage*
  - a. Objectives:
    - i. Compare efficacy of new and commonly used insecticides to reduce diamondback moth damage
  - b. Outcome and Benefits Expected:
    - i. Learn about the efficacy if new products for DBM management in cabbage
    - ii. Develop a strategy for the best products to be used over the season and used in a manner that should mitigate the development of insecticide resistance in DBM
  - c. Funding: \$6,000
- 3. *Project #3: Level of Susceptibility to the Black Rot Pathogen of Commercially Available Cabbage Varieties*
  - a. Objectives:
    - i. Conduct a replicated variety trial that is inoculated with a strain of Xcc known to be aggressive on cabbage in NY
    - ii. Harvest the cabbage at appropriate times for the variety and determine if the black rot pathogen has entered the head
    - iii. Collect black rot samples from naturally infested fields in NY and keep in storage so that stain identity (and inoculum source) can be determined in case of an epidemic
  - b. Outcome and Benefits Expected:
    - i. Cabbage producers will be more informed when making decisions regarding the cabbage varieties to grow
    - ii. Identify the most black rot cabbage varieties available
  - c. Funding: \$16,000
- 4. *Project #4: Evaluating New Herbicides for Potential Registration in Transplanted Cabbage*
  - a. Objectives:
    - i. To evaluate efficacy and crop tolerance of new and pipeline herbicides in cabbage for improved weed control and crop safety
  - b. Outcome and Benefits Expected:
    - i. Research on crop safety and efficacy is essential to developing best management practices for herbicide use when new formulations become available
    - ii. Expand our understanding of how new products and formulations may fit into current weed management practices
  - c. Funding: \$5,796

## V. Contract Term, Price and Funding

This contract term is expected to be twelve months for an amount not to exceed \$33,796. The source of funding for the contract will be the funds received through the Cabbage Research and Development Program.

Unless terminated early as provided for in Article 3 of Schedule A, or extended as described in this paragraph, the services described in the CRDP 2017-18 Research Proposals shall be performed by the Contractor beginning April 1, 2017 and ending March 31, 2018. This Contract may be extended for up to five (5) additional years, upon mutual agreement in writing by the parties. The total term of the Contract shall not exceed six (6) years, except as may be necessary to carry out the provisions of Article 2 of Schedule A.

## VI. Responsible Party

Staff has examined the proposed contractor's "responsibility" as defined in State Finance Law §163, and as provided in ESD's Procurement Guidelines. Based on this analysis of financial and organizational capacity, legal authority to do business in New York, integrity of principals, and past performance on contracts, staff concludes that the proposed contractor is a responsible vendor.

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

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified Minority and Women-owned Business Enterprises ("MWBE") and Service Disabled Veteran-Owned Businesses ("SDVOB") in the performance of ESD projects and procurements. The ESD Office of Contract and Supplier Diversity has reviewed the contract and determined that it is not practical or feasible to assign MWBE and SDVOB participation goals to expenditures made under this program. As such, participation goals will not be established or required.

## VIII. Environmental Review

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

## IX. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed Contractor; (2) authorize the Corporation to enter into a contract with Cornell University for \$33,796; and (3) take all related actions.

X. Recommendation

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

Attachment

Resolutions

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter into a Contract for Research Services of the New York State Cabbage Industry relating to the Marketing Order Program; and Authorization 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 Cornell University to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Cornell University for a total contract amount of Thirty Three Thousand, Seven Hundred and Ninety Six Dollars (\$33,796) 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 and 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.

\* \* \*

# **Item VI. A**





**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Amendment to Extend Term of Contract to Provide Marketing Services including Advertising, Digital Marketing, Events, Media Planning and Buying Services

**REQUEST FOR:** Authorization to Amend an Existing Contract with Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald New York ("CE-NY");  
Authorization to Take Related Actions

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**I. CONTRACT AMENDMENT SUMMARY**

**Contractor:** Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald New York ("CE-NY").

**Scope of Services:** To provide Marketing Services including but not limited to Advertising, Digital Marketing, Events, Media Planning, and Buying Services.

**Contract Term:** Extension of existing two year contract by one year beginning December 1, 2017 and ending November 30, 2018.

**Contract Amount:** The amount of the contract will remain at \$150,000,000. All other contract terms will remain unmodified.

**Funding Source:** Legislative Appropriation.

**II. BACKGROUND**

Empire State Development ("ESD") is the New York State entity charged with developing and implementing an overall strategy to enhance New York State's image as a place for conducting business, and visiting as a tourist.

ESD has worked towards this goal, in part, through a \$50-\$75 million annual marketing program geared towards improving New York State's image as business-friendly and introducing business decision-makers as well as potential tourists to various websites and other sources of information where they can learn more about what New York State offers. These efforts have included TV, digital and social media, print, radio, events and Out-of-Home advertising. CE-NY has been the spearhead of all of these marketing tactics.

Pursuant to Board authorization on September 17, 2015, the Corporation entered into a contract with CE-NY, pursuant to which CE-NY is providing marketing services including advertising, digital marketing, events, media planning and buying services.

The term of the existing ESD/CE-NY contract runs through November 30, 2017.

### **III. THE ESD/CE-NY CONTRACT AMENDMENT**

The contract will be extended by one year beginning December 1, 2017 and ended November 30, 2018. All other terms of the contract remain the same.

CE-NY has performed satisfactorily in the past two years and the marketing campaigns for economic development and tourism have been highly visible.

The amended contract is subject to review and approval by the Office of the New York State Comptroller pursuant to Public Authorities Law § 2870-a and its implementing regulations.

### **IV. CONTRACTOR SELECTION PROCESS**

These services were initially competitively bid via an ESD Request for Qualifications ("RFQ") to which twenty agencies responded. The RFQ was widely advertised, including publication in the NY Contract Reporter. The RFQ was designed to identify qualified firms that would be asked to submit a formal proposal for New York State's economic development annual marketing program. Of the twenty responsive proposals, a Selection Committee selected eight firms with the highest overall score to be interviewed by the Committee. Of the eight firms, three were then chosen to respond to an ESD Request for Proposal ("RFP"). The three firms were DDB, BBDO USA LLC, and CE-NY. CE-NY was selected as a result of this competitive solicitation, which included a provision that the contract would be for an initial two-year period, with two extensions of one year each at the discretion of the Board.

ESD staff recommends that ESD enter into an amendment of the existing contract with CE-NY because (i) ESD is satisfied with CE-NY's performance under the existing contract; (ii) CE-NY retains specific knowledge relevant to creation, production, financing, and dissemination of the economic development and tourism campaign components; (iii) CE-NY is part of an industry-leading, world-wide, advertising firm with expertise in marketing and promotion campaigns; (iv) CE-NY agrees to continue the same fee/commission/compensation arrangement as set forth in the existing contract; (v) CE-NY has expertise developing and implementing performance

metrics, research tools and Key Performance Indicators (KPIs) to help evaluate results of marketing efforts and recommend adjustments to plans as indicated and necessary.

**V. RESPONSIBLE PARTY**

Pursuant to ESD's Procurement Guidelines and applicable law; staff has (a) considered C-E's ability to perform the requested services; (b) reviewed C-E's sworn NYS VendRep questionnaire; and (c) consulted the list of offerors determined to be non-responsible bidders and debarred offerors maintained by the New York State Office of General Services. Based on the foregoing, staff considers CE-NY to be a responsible contractor based on its financial and organizational capacity, its legal authority to do business, the integrity of the firm and its principals, and its past performance on the existing ESD-CE-NY contract.

**VI. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY**

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to the amended contract. C-E has been and will be encouraged to use its best efforts to achieve an overall Minority and Women Business Enterprise (MWBE) participation goal of 30% related to the total value of the contract and amendments. The overall goal includes a Minority-owned Business Enterprise (MBE) participation of 15% and a Woman-owned Business Enterprise (WBE) participation of 15%.

**VII. ENVIRONMENTAL REVIEW**

ESD staff has determined that that the proposed amended contract constitutes a Type II action as defined by SEQRA and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with this action.

**VIII. REQUESTED ACTION**

The Directors are asked to authorize ESD to extend the existing contract with CE-NY by one year beginning December 1, 2017 and ending November 30, 2018, and take related actions.

**IX. RECOMMENDATION**

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

**X. ATTACHMENT**

Resolution

July 27, 2017

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Amendment to Contract to Provide Marketing Services including Advertising, Digital Marketing, Events, Media Planning and Buying Services - Authorization to Amend an Existing Contract with Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald New York (“CE-NY”); 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 ordered filed with the records of the Corporation, the Corporation hereby finds Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald New York (“CE-NY”), to be responsible; and further

RESOLVED, that the Corporation is hereby authorized to extend the existing contract by one year beginning December 1, 2017 and ending November, 30, 2018, and all other contract terms would remain unmodified and in full force and effect, substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the 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.

\* \* \*

# **Item VII.A.**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New York City (New York County) – Penn Station - Farley Complex - Moynihan Station Civic and Land Use Improvement Project

**REQUEST FOR:** Authorization to Enter into a Contract for Integrity Monitor Services; and Authorization to Take Related Actions

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**I. Contract Summary**

**Consultant:** K2 Intelligence, LLC (“K2”)

**Scope of Services:** Integrity Monitor Services for the Construction of the Moynihan Train Hall and James A. Farley Building Redevelopment.

**Anticipated Term  
Of Initial Contract:** July 2017 through approximately December 2021.

**Contract Amount:** \$7,710,055

**Funding Source:** U.S. Department of Transportation  
*Transportation Infrastructure Finance and Innovation (TIFIA) Act Loan* (loan supported by annual PILOT payments)  
The Port Authority of New York & New Jersey (“PANYNJ”) Metropolitan Transportation Authority (“MTA”)

**II. Background**

In January of 2016, Governor Andrew M. Cuomo commenced implementation of an initiative for the redevelopment of the Penn-Farley Railway Station Complex. In furtherance of that initiative, New York State Urban Development Corporation d/b/a Empire State Development (“ESD” or the “Corporation”) with the Metropolitan Transportation Authority (“MTA”), MTA’s operating entity Long Island Rail Road (“LIRR”) and National Passenger Railroad Corporation (“Amtrak”) jointly pursued the private redevelopment of the ESD-owned James A. Farley Building property (“Farley”) to include (i) a new railroad passenger train hall (the “Moynihan

Train Hall”), (ii) new facilities in the Penn Station train-shed (the “Train Shed”) that will provide vertical circulation between the Moynihan Train Hall and the Train Shed’s passenger platforms and concourses, (iii) and passenger facing operations and back office facilities for LIRR and Amtrak.

ESD issued a competitive solicitation for the redevelopment of the James A. Farley Building and the completion of the Moynihan Train Hall in January 2016. In September 2016, RVS Partners, a venture between the Related Companies, Vornado Realty Trust, and Skanska USA was designated the preferred developer-builder team for Phase 2. RVS will carry out the Phase 2 plans in accordance with designs developed by SOM as approved by the Project Sponsors. ESD and RVS reached financial close on the transaction in June 2017.

### **III. Scope of Work**

As Construction Integrity Monitor (IM), K2 will assist in providing necessary payment and compliance oversight as well as the construction monitoring for the Project. K2 will institute an integrity monitoring program to: prevent fraud, waste and abuse and/or corruption; detect it; and, if detected, to coordinate the definitive and effective actions to be taken in consultation with ESD, as necessary in order to eradicate and prevent any such activity.

K2 shall report to ESD, and if necessary to the NY State Inspector General’s office (and/or the MTA Inspector General), any suspicious, improper or criminal activity on the part of any contractor, subcontractor, consultant, supplier, labor official, government employees, or any other persons or entities in connection with the Project.

The specific scope of work will include, but is not limited to, the following tasks:

- *TASK 1: Risk Assessment.* Conduct a review of all existing procedures and processes of ESD, contractors, subcontractors and consultants for vulnerability to fraud, corruption, cost abuse, safety, conflicts of interest, and/or environmental risks.
- *TASK 2: Fraud and Corruption Prevention Programs.* Design and implement fraud and corruption prevention programs. Based on its findings from Task 1, K2 shall recommend and implement procedures designed to mitigate all risks identified in its initial review.
- *TASK 3: Expenditure review and monitoring.* Periodically review expenditures of ESD for construction managers, contractors and subcontractors, and any changes in scope, holds, contingency, allowances, change orders, or other miscellaneous additions or credits.
- *TASK 4: Records review and compliance.* Periodically review the records of the construction managers and the contractors for fraud or non-compliance with law, with specific attention to documentation and records keeping related to the bidding process, change orders, payment applications, insurance certifications, licensure status of contractors and subcontractors and environmental records.
- *TASK 5: Forensic review and oversight.* Conduct forensic reviews of project cost, including the analysis of in-process and post process (if needed) requisitions, invoices,

and supporting documentation, payments, change orders, change order requisitions and supporting documentation, payments to vendors, equipment invoices, bond payment reconciliation, certified payroll reports, site logs, trucking manifests, etc.

- *TASK 6: Forensic auditing and investigations.* Provide ongoing forensic auditing and investigative services, as necessary and directed by ESD, to include, but not be limited to: background investigations on contractors, suppliers, consultants; conducting in field investigations and onsite monitoring of construction work as necessary; investigating and evaluating construction contractor use of labor, compliance with collective bargaining agreements and project labor agreements, and compliance with state and federal labor laws; review and monitoring of environmental plans and procedures; compliance with DBE/MBE/WBE/SDVOB requirements and goals; and conducting investigations into illegal conduct by contractor's staff, and others. K2 shall provide written reports of its audits and/or investigations, and may be called upon to meet with law enforcement officials as appropriate.

The IM will report to ESD on a regular basis.

#### **IV. Contractor Selection Process**

In May 2017, ESD conducted a competitive request for proposals ("RFP") process for integrity monitor services. The process resulted in conforming proposals from six firms, which were reviewed, analyzed and evaluated by a team including members from ESD legal and project teams. After an initial review of the technical proposals and interviews, two firms were invited to submit a Best and Final Offer (BAFO). The selection criteria used to evaluate the responses was based on strength of firm's technical proposal, diversity practices, and fees. Based on the overall scores of the reviewing team, K2 was selected to provide integrity monitor services because they received the highest composite score of the respondents.

#### **V. Contract Price and Funding**

Subject to further Directors' authorization, the term of the contract for the overall services would be for the length of the project. K2 would bill on a time and material basis at the rates set forth in its RFP response best and final offer.

The contract limit would be \$7,710,055. This fee was proposed by K2 as part of their proposal for the staff positions identified in the RFP as being required by ESD.

The source of funding will be either the TIFIA loan proceeds, bonds proceeds, or proceeds of the MTA and/or Port Authority Agreements.

#### **VI. Responsible Party**

ESD has examined K2's "responsibility" as defined in State Finance Law §163, and as provided in ESD's Procurement Guidelines, Article 8.13. Based on this analysis of financial and



organizational capacity, legal authority to do business in New York, integrity of principals, and past performance on contracts, staff concludes that K2 is a responsible vendor.

**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**

ESD's Minority and Women-owned Business Enterprise ("MWBE") policies will apply to this contract. K2 shall be required to solicit and utilize MWBEs in the fulfillment of the requirements of this contract. K2 must demonstrate the use of good faith efforts pursuant to 5 NYCRR §142.8 to achieve an overall goal of 30% for MWBE Participation. The overall goal shall include a Minority-owned Business Enterprise Participation Goal of 15% and a Women-owned Business Enterprise Participation Goal of 15% related to the total value of ESD's funding.

ESD's Service-Disabled Veteran-Owned Business ("SDVOB") policies will also apply to the Train Hall Work. K2 shall be required to solicit and utilize SDVOBs in the fulfillment of the requirements of the Development Agreement. K2 must demonstrate the use of good faith efforts pursuant to 9 NYCRR §252.2 to achieve a goal of 3% for SDVOB participation.

**IX. Requested Actions**

The Directors are requested to authorize ESD to enter into a contract with K2 for Integrity Monitor services, with a total contract value of \$7,710,055.

**X. Recommendation**

Based on the foregoing, staff recommends the adoption of the resolution.

**XI. Attachment**

Resolution

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - NEW YORK (NEW YORK COUNTY) – Penn Station - Farley Complex - Moynihan Station Civic and Land Use Improvement Project – Authorization to Enter into a Contract for Integrity Monitor Services; and Authorization to Take Related Action

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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 K2 Intelligence, LLC ("K2") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract for Integrity Monitor Services with K2, for a not-to-exceed amount of \$7,710,055, substantially on the terms and conditions as set forth in the Materials; and be it further

RESOLVED, that the President, 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. Any actions previously taken by the Corporation consistent with this authorization are hereby ratified and affirmed.

\* \* \*

# **Item VII.B.**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New York City (New York County) – Moynihan Station Civic and Land Use Improvement Project

**REQUEST FOR:** Authorization to Amend a Contract with the Law Firm of Orrick Herrington & Sutcliffe LLP to Continue to Provide Legal Services in Connection with the Financing of the Daniel Patrick Moynihan Train Hall

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**CONTRACT NEED AND JUSTIFICATION**

**I. CONTRACT SUMMARY**

**Counsel:** Orrick Herrington & Sutcliffe LLP (“Counsel”)

**Scope of Services:** Counsel would continue to provide legal services to ESD in connection with financing for the construction of the Daniel Patrick Moynihan Station.

**Current Contract Limit:** \$950,000 plus expenses

**Proposed Contract Amendment:** \$950,000 plus expenses

**Total Proposed Contract Amount:** \$1,900,000 plus 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 Vornado Realty) will do a mixed-use redevelopment of the Farley Building including a new commuter and intercity passenger rail road station, approximately the size of Grand Central Station, which will be known as the Daniel Patrick Moynihan Train Hall (the “Train Hall”).

ESD retained Orrick Herrington & Sutcliffe LLP in July 2015, to assist ESD with legal and related work relating to the financing of the Daniel Patrick Moynihan Train Hall, in the initial amount of \$100,000. In March 2017, the Directors authorized an additional \$350,000 for these services, for a total contract amount of \$450,000. In May 2017, as ESD moved to close on the financing of Phase 2 of the Project, the Directors authorized an additional contract increase of \$500,000, bringing the total contract amount to \$950,000. ESD has had a positive experience with Counsel throughout the contract. ESD is in the process of negotiating the final piece of the financing, a loan from the United States Department of Transportation pursuant to its Transportation Infrastructure Finance and Innovation Act (“TIFIA”) Credit Program. The documentation and the negotiations are very complex and the transaction involves multiple parties and their counsel. ESD will close the loan in July. Because of Counsel’s performance to date, staff believes it would be prudent to continue with and increase the maximum amount of Counsel’s contract by \$950,000 for a total amount of \$1,900,000. Accordingly, your approval is sought for this contract amendment.

### III. SCOPE OF WORK

Counsel would continue to advise ESD on matters relating to the tax exempt bond and TIFIA financing, 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 of 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 recommended 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 and TIFIA financing transactions.

In February 2017, ESD adopted a new Pre-Qualified Counsel list. Counsel is no longer on ESD's pre-qualified list. However, based on Counsel's expertise, rates, and specific knowledge of the Moynihan transaction, the contract as amended represents the best value to the Corporation.

V. 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. Based on the foregoing, staff considers Counsel to be responsible.

VI. 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.

VII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

Pursuant to New York State Executive Law Articles 15-A and 17-B, 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) and service-disabled veteran-owned businesses ("SDVOB"), respectively, in the performance of ESD contracts. No specific MWBE or SDVOB participation goal shall be required; however, Counsel shall adhere to ESD's Non-discrimination and Equal Employment Opportunity policy.

VIII. REQUESTED ACTIONS

The Directors are asked to: (1) make a determination of responsibility with respect to Counsel; and (2) authorize ESD to amend its contract with Counsel to add an additional Nine Hundred Fifty Thousand Dollars (\$950,000) to the current contract maximum of Nine Hundred Fifty Thousand Dollars (\$950,000) for a new proposed total contract amount not to exceed \$1,900,000.

IX. RECOMMENDATION

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

X. ATTACHMENT

Resolutions

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE  
DEVELOPMENT - Moynihan Station Civic and Land Use Improvement Project -  
Authorization to Amend a Contract with the Law Firm of Orrick Herrington & Sutcliffe  
LLP to Continue to Provide Legal Services in Connection with the Financing of the Daniel  
Patrick Moynihan Hall

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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 amend its contract with Counsel in order to increase the contract amount by Nine Hundred Fifty Thousand Dollars (\$950,000) from the current amount of Nine Hundred Fifty Thousand Dollars (\$950,000) to an amount not to exceed One Million Nine Hundred Thousand Dollars (\$1,900,000), plus expenses, 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.

\* \* \*



# **Item VII.C.**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New York City (New York County) – Empire Station Complex - Moynihan Station Civic and Land Use Improvement Project

**REQUEST FOR:** Authorization to Amend a Contract with Jones Lange LaSalle Americas, Inc. d/b/a Jones Lange LaSalle or JLL for Construction Advisor Services

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**CONTRACT NEED AND JUSTIFICATION**

**I. CONTRACT SUMMARY**

**Contractor:** Jones Lange LaSalle Americas, Inc. d/b/a Jones Lange LaSalle or JLL (“JLL”)

**Scope of Services:** To advise the United States Department of Transportation (“USDOT”), acting by and through the Executive Director of the Build America Bureau with respect to technical matters related to the construction, operation and maintenance of the Moynihan Train Hall Project and the performance by ESD of its obligations under the TIFIA Loan Agreement.

**Contract Term:** Five years with two one year renewal options

**Current Contract Limit:** \$80,000

**Proposed Contract Amendment:** \$367,500

**Total Proposed Contract Amount:** \$447,500

## II. BACKGROUND

On May 25, 2017, the Directors authorized ESD to enter into a loan agreement with USDOT to fund a portion of the design and construction of Phase 2 of the Moynihan Station Civic and Land Use Improvement Project, including authorization to pay all USDOT's costs and fees. Under the loan agreement, USDOT will make a PILOT Revenue-backed direct loan pursuant to the Transportation Infrastructure Financing and Innovation Act ("TIFIA") program in an amount not to exceed \$550 million (the "TIFIA Loan").

ESD has been approved for the TIFIA Loan and intends to close the TIFIA Loan in July. As a condition of the TIFIA Loan, TIFIA has requested that ESD retain a Lender's Technical Advisor ("LTA") to advise the USDOT, acting by and through the Executive Director of the Build America Bureau (the "TIFIA Lender"), with respect to technical matters related to the construction, operation and maintenance of the Moynihan Train Hall Project and the performance by ESD of its obligations under the TIFIA Loan Agreement.

In January 2017, ESD entered into a contract with JLL to provide construction/feasibility assumptions for the Moynihan Train Hall as ESD applied for the TIFIA Loan. Under the LTA scope of work, JLL will report directly to the TIFIA Lender and will provide various certificates and reports upon which the TIFIA Lender and ESD can rely. JLL will provide the TIFIA Lender with a monthly certification which will enable ESD to drawdown on the TIFIA Loan and make payments for the TIFIA project construction work. Because of the USDOT's criteria for the LTA and JLL's performance to date and experience, staff believes it would be prudent to continue with and increase the scope and amount of JLL's current contract amount of \$80,000 by \$367,500 for a total amount of \$447,500. Accordingly, your approval is sought for this contract amendment.

## III. SCOPE OF WORK

As the Lender's Technical Advisor, JLL will review documents, visit the site during construction, attend periodic progress meetings, prepare Construction Progress Reports, provide certifications, review and comment on, and provide recommendations with respect to, change orders, and provide other confirmations and verifications and perform all other actions required of the LTA under the TIFIA Loan Agreement.

## IV. SUMMARY OF CONTRACTOR SELECTION PROCESS

ESD selected JLL for the original contract based on USDOT's criteria which significantly narrowed the list of firms on ESD's prequalified list. Proposals were sent to five firms. Only two of the five firms responded. JLL gave ESD a fixed price for the report with hourly rates for on-call services. After reviewing both firms' proposals, it was clear that JLL had better rates and more experience doing this type of work. For these reasons, JLL was selected.

Based on JLL's expertise, rates, specific knowledge of the Moynihan transaction and USDOT's criteria for the Lender's Technical Advisor under the TIFIA Loan Agreement, the contract as amended represents the best value to the Corporation.

IV. FUNDING SOURCE

Funding for this amendment will be paid for out of funds provided by the Metropolitan Transportation Authority, the Port Authority of New York and New Jersey, and appropriated funds.

V. RESPONSIBLE PARTIES

Pursuant to State Finance Law Sections 139-j and 139-k and the Corporation's policy related thereto, staff has: (a) considered JLL's ability to perform the services provided for in the proposed agreement; and (b) consulted the list of officers determined to be non-responsible bidders and debarred officers maintained by the New York State Office of General Services. Based on the foregoing, staff considers JLL to be responsible.

VI. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

Pursuant to New York State Executive Law Articles 15-A and 17-B, 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) and service-disabled veteran-owned businesses ("SDVOB"), respectively, in the performance of ESD contracts. No specific MWBE or SDVOB participation goal shall be required; however, Contractor shall adhere to ESD's Non-discrimination and Equal Employment Opportunity policy.

VII. ENVIRONMENTAL REVIEW

The request to amend a consultant contract constitutes a Type II action as defined by the New York State Environmental Quality Review Act (SEQRA) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

VIII. REQUESTED ACTIONS

The Directors are requested to: (1) make a determination of responsibility with respect to Contractor; and (2) authorize the Corporation to amend its contract with Jones Lange LaSalle Americas, Inc. to add an additional Three Hundred Sixty Seven Thousand Five Hundred Dollars (\$367,500) to the current contract maximum of Eighty Thousand Dollars (\$80,000) for a new proposed total contract amount not to exceed \$447,500.

IX. RECOMMENDATION

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

X. ATTACHMENTS

Resolutions

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - NEW YORK CITY (New York County) – Empire Station Complex - Moynihan Station Civic and Land Use Improvement Project – Authorization to Amend a Contract with Jones Lange LaSalle Americas, Inc. d/b/a Jones Lange LaSalle or JLL for Construction Advisor Services

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

RESOLVED, that in accordance with the materials, the Corporation is hereby authorized to amend its contract with Jones Lange LaSalles Americas, Inc. relating to the Moynihan Station Civic and Land Use Improvement Project to add an additional Three Hundred Sixty Seven Thousand Five Hundred Dollars (\$367,500) to the current contract maximum of Eighty Thousand Dollars (\$80,000) for a new proposed total contract amount not to exceed Four Hundred Forty Seven Thousand Five Hundred Dollars (\$447,500) 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, or another Officer of the Corporation, or their 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 actions as may be necessary or proper to implement the foregoing resolutions.

\* \* \*

# **Item VII. D**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New York City (New York County) – Penn Station - Farley Complex - Moynihan Station Civic and Land Use Improvement Project

**REQUEST FOR:** Authorization to Amend a Contract with Skidmore, Owings & Merrill LLP (“SOM”) for Architectural, Engineering, Design, Development, and Related Services; and Authorization to Take Related Actions

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**I. Contract Summary**

**Contractor:** Skidmore Owings & Merrill LLP (“SOM”)

**Scope of Services:** Architectural, Engineering, Design, Development, and Related Services pertaining to the Closeout of Phase 1, Renderings, Visual Support and Master Planning Services for the Penn-Farley Complex

**Contingency Amount:** Not to exceed \$950,000

**Funding Source:** MTA and Farley Events Revenues

**II. Background**

In January of 2016, Governor Andrew M. Cuomo commenced implementation of an initiative for the redevelopment of the Penn-Farley Railway Station Complex. In furtherance of that initiative, New York State Urban Development Corporation d/b/a Empire State Development (“ESD” or the “Corporation”) with the Metropolitan Transportation Authority (“MTA”), MTA’s operating entity Long Island Rail Road (“LIRR”) and National Passenger Railroad Corporation (“Amtrak”) are jointly pursuing the private redevelopment of the ESD-owned James A. Farley Building property (“Farley”) to include (i) a new railroad passenger train hall (the “Moynihan Train Hall”), (ii) new facilities in the Penn Station train-shed (the “Train Shed”) that will provide vertical circulation between the Moynihan Train Hall and the Train Shed’s passenger platforms and concourses, (iii) and passenger facing operations and back office facilities for LIRR and Amtrak.



The redevelopment of the Farley Building and the completion of the Moynihan Train Hall is the second phase of the broader Moynihan project, which includes the Phase 1 expansion of the West End Concourse underneath the Farley Building. Construction of Phase 1 was carried out by ESD's subsidiary, the Moynihan Station Development Corporation ("MSDC") through a contract with Skanska USA Civil Northeast, Inc., in accordance with plans also prepared by SOM. Phase 1 is substantially complete.

ESD issued a competitive solicitation for the redevelopment of the James A. Farley Building and the completion of the Moynihan Train Hall in January 2016. In September 2016, RVS Partners, a venture between the Related Companies, Vornado Realty Trust, and Skanska USA was designated the preferred developer-builder team for Phase 2. RVS will carry out the Phase 2 plans in accordance with designs developed by Skidmore, Owings, Merrill as approved by the Project Sponsors. ESD and RVS closed on the transaction in June 2017. In accordance with the transaction documents for the train hall, SOM will carry out its construction phase advisory services for the train hall under agreements with RVS and will be managed by RVS on a day-to-day basis.

ESD requires the amendment and extension of the original contract with SOM in order that SOM may provide close out services relating to Phase 1 of the project, provide rendering and visual support for ESD throughout construction and continue to support ESD and the Project Sponsors in relation to the Penn-Farley Master Plan developed by SOM.

### **III. The Proposed Contract Amendment**

The amendment requested in these materials will provide for (i) an addition to the contract by ESD of the amount of \$950,000, thereby increasing the current contract amount of \$41,629,555 to \$42,579,555.

The additional funds will cover the following Scope of Work:

1. Close out of Phase 1 including analysis of passenger use and way finding
2. Renderings and visual support for ESD
3. Support relating to updates of the Penn-Farley Master Plan

The Port Authority of New York and New Jersey has reviewed the work that will be added to the contract scope of work and affirmed that the increase in the contract amount is fair and reasonable.

The amendment requested in these materials will provide for (i) the a partial assignment to and assumption by ESD of the SOM contract from MSDC with respect to the scope of work included in this amendment, (ii) extension of the contract term, with respect to ESD, through June 30, 2018; The amendment will also provide that ESD will be responsible to SOM with respect to the scope as described above for an amount not to exceed \$13,078,812 (*i.e.* \$12,128,812 from the

prior amendments plus this amendment's \$950,000) the maximum amount to be paid to SOM by ESD for the work related to the close out of Phase 1.

#### **IV. Contractor History With the Project**

In 1998, after a competitive bidding process and pursuant to Director authorization, MSDC (then Pennsylvania Station Redevelopment Corporation) entered into the contract (the "Contract") pursuant to which SOM would "provide all architectural, structural, mechanical and electrical engineering services necessary for the programming, design, contract documentation and construction administration of the restoration and redevelopment of a portion of the historic James A. Farley Post Office Building in New York City into an intermodal transportation facility" for an amount not to exceed \$23,000,000. In 1999, the Directors authorized an increase in the total contract amount to \$44,700,000. By 2003, approximately \$34,500,000 had been expended against the Contract, and SOM had performed ably in all aspects of its original scope, including completion of construction documents at the 80% level for the project iteration current at that time.

With the decision in 2010 to advance the Moynihan Station Project in two distinct phases—Phase 1, which is the below-grade critical infrastructure work now under construction, and Phase 2, which is the completion of the train hall—and with all previously performed Contract work having been performed, accepted, and paid for in full, the MSDC Directors authorized the amendment and restatement of the Contract. The amended and restated Contract terms superseded the previous terms, provided for SOM to repackage drawings for the advancement of Phase 1, and established a new maximum Contract amount of \$5,775,928. This amount was within the previously authorized but unspent amount for the Contract.

Since 2010, the Contract has been amended twelve times in order to provide for: new insurance requirements for Phase 1, for pedestrian flow modeling work, construction-phase advisory services for Phase 1, the re-bid repacking of designs for the 33rd Street Connector, test-fits for the purposes of updating the feasibility study for potential commercial development surrounding the train hall, the repackaging of the 2006 train hall designs for Phase 2 of the project, construction-phase advisory services to support the execution of early action work in Farley, resiliency moat improvements, Phase 1 construction support, Phase 2 final documents and bid support, additional Phase 2 services, West End Concourse enhancements, RVS design integration and coordination with DASNY. In April 2016, the SOM bid support and design services pertaining to the Empire Station solicitation were contractually assigned from MSDC to Empire State Development. These amendments plus change orders within the authorized contingency amounts have increased the Contract's current maximum value to \$41,629,555. The requested amendment will increase the maximum current value of the contract to \$42,579,555.

The contract has been previously partially assigned from MSDC to ESD in the amount of \$12,128,812 and that amount is now being increased by \$950,000 as described in these materials so that ESD's payments under the Contract shall not exceed \$13,078,812.

**V. Responsible Parties**

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto; staff has: (a) considered proposed contractor'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. Based on the foregoing, staff considers the proposed contractor to be responsible.

**VI. Funding**

Funding for the Phase 1 close out work will be provided by MTA and the Farley Events Revenues.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this contract. The Contractor shall be required to use good faith efforts (pursuant to 5 NYCRR Section 142.8) to achieve a Minority-owned Business Enterprise participation goal of 15% and a Women-owned Business Enterprise participation goal of 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project. This is a comprehensive goal for all areas of the project (i.e., professional, construction and purchasing of supplies), and therefore the overall MWBE goal for the project is 20%.

**VIII. Environmental Review**

The requested authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act (SEQRA) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required with this authorization.

**IX. Requested Actions**

Staff requests that the Board authorize ESD to assume the Contract from MSDC as set forth in these materials, and to amend the Contract to authorize an addition to the contract amount of \$950,000, which will increase the current not-to-exceed contract amount to \$42,579,555.

**IX. Recommendation**

Based on the foregoing, ESD staff recommends approval of the requested actions.

**X. Attachments**

Resolution

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - NEW YORK (NEW YORK COUNTY) – Penn Station - Farley Complex - Moynihan Station Civic and Land Use Improvement Project – Authorization to Assume and Amend a Contract with Skidmore, Owings & Merrill LLP (“SOM”) for Architectural, Engineering, Design, Development, and Related 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 Skidmore Owings & Merrill LLP (“SOM”) to be responsible; and be it further

RESOLVED, that the Directors hereby authorize the Corporation to assume and amend the contract with SOM as described in the Materials so that the amount to be paid to SOM by ESD pursuant to the contract will be increased by \$950,000 and aggregate ESD payments pursuant to the contract will not to exceed \$13,078,812 substantially on the terms and conditions, as set forth in the Materials; and be it further

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

\* \* \*

# **Item VII. E**



**FOR CONSIDERATION**

July 27, 2017

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** New York City (New York County) – Penn Station - Farley Complex – Moynihan Station Civic and Land Use Improvement Project

**REQUEST FOR:** Authorization to Assume and Amend the Agreement with the National Railroad Passenger Corporation (“Amtrak”) for Force Account Services Related to Moynihan Train Hall; Authorization to Take Related Actions

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**I. Summary of Requested Authorization**

**Contractor:** National Railroad Passenger Corporation (“Amtrak”)

**Scope of Services:** Force Account Construction Services performed by Amtrak personnel in support of the Moynihan Train Hall Project

**Amendment Term and Amount:** Not to exceed \$1.5 million with the term extended through December 31, 2017

**Funding:** Funding received by ESD from the Port Authority of New York & New Jersey, MTA and the selected development team will fund the new additional amount added to the contract.

**II. Background**

In January of 2016, Governor Andrew M. Cuomo commenced implementation of an initiative for the redevelopment of the Penn-Farley Railway Station Complex. In furtherance of that initiative, New York State Urban Development Corporation d/b/a Empire State Development (“ESD” or the “Corporation”) with the Metropolitan Transportation Authority (“MTA”), MTA’s operating entity Long Island Rail Road (“LIRR”) and National Passenger Railroad Corporation (“Amtrak”) are jointly pursuing the private redevelopment of the ESD-owned James A. Farley Building property (“Farley”) to include (i) a new railroad passenger train hall (the “Moynihan Train Hall”), (ii) new facilities in the Penn Station train-shed (the “Train Shed”) that will provide vertical circulation between the Moynihan Train Hall and the Train Shed’s passenger platforms and concourses, (iii) and passenger facing operations and back office facilities for LIRR and Amtrak.

In connection with the Farley redevelopment, substantial Project work must be performed in the Amtrak-owned Train Shed along with associated work in Farley. In order to ensure safe and efficient train operations, Amtrak requires that a substantial, defined portion of this work be performed by specially trained Amtrak personnel, designated as Amtrak Force Account personnel, performing both direct labor and also the support services necessary to protect the safety and efficiency of the construction work and to maintain the rail operations affected by the construction. These support services are provided for both the work performed by Amtrak Force Account personnel throughout the period of construction.

In May 2012, ESD's subsidiary, Moynihan Station Development Corporation ("MSDC") and Amtrak entered into the Phase 1 Force Account and Construction License Agreement ("the Force Account Agreement"), which is a standard requirement of Amtrak to be entered into by any external sponsor of a project that is situated on or adjacent to Amtrak property, that would have actual or potential impact on Amtrak operations, facilities, or other property. All costs associated with Amtrak's provision of direct labor and support services as it deems necessary for the implementation of project construction are reimbursed by the project sponsor according to the terms defined by this agreement.

As part of the Project, MSDC and ESD are began advancing the Early Action work in support of Phase 2 of the Moynihan Train Hall in Fall 2016. The Directors previously authorized an amendment to the contract in November 2016 that extended the Force Account Agreement through April 30, 2017. In April 2017 the Directors also authorized the budget for force account work in support of Phase 2 of the project. In Phase 2, the force account agreement will be held by the Developer-Builder team with costs invoiced to ESD. Commercial close on the transaction, however, did not occur until June 15, 2017. Therefore, authorization is sought from the Directors to amend the Force Account Agreement (i) to cover all Early Action and Interim Agreement period work up until June 15, 2017 in support of Phase 2 work that will be carried out within the Amtrak owned and controlled train-shed project as well as activities facilitating the transition from Phase 1 to Phase 2 of the project and (ii) to assign the Force Account Agreement in part to ESD (iii) extend the term period through December 31, 2017.

### **III. The Proposed Contract Amendment**

ESD's Phase 2 of the Project will see the redevelopment of the James A. Farley Post Office Building into a new intercity train hall for use by Long Island Rail Road and Amtrak. ESD, the parent corporation of MSDC, is the owner of the Farley Building, and the Project's Phase 2 will involve substantial work within the Amtrak owned and controlled train-shed, including installation of escalators, construction of baggage elevators and relocation of numerous platform utilities and other systems, including impacts to the overhead electric catenary system. An amendment of the Force Account Agreement is necessary in order to cover the scope of work within the train-shed for the transition from Phase 1 to Phase 2 of the project and to assign the contract in part to ESD in an amount not to exceed \$1.5 million. Amtrak's work will include surveying, utility investigations, planning and coordination, and engineering reviews as well as coordination with MSDC and PANYNJ on close-out of Phase 1 and transition



of materials and manpower to ESD's Phase 2 of the project. All terms and conditions in the existing force account agreement, including insurance obligations and indemnifications, will remain in place and unchanged and will extend to the new scope of work. ESD budget for these services is estimated to be \$1.5 million through December 31, 2017.

A Contractor Reporter Exemption has been submitted for approval.

Amtrak is expected to have a fee interest in a condominium unit adjacent to the train hall which directly connects to the Amtrak owned train-shed that contains the Penn Station passenger platforms and tracks . Amtrak has entered into a separate agreement with ESD specifying Amtrak's rights and responsibilities with regard to the construction of the Phase 2 elements within the train hall.

#### **IV. Funding**

Funding received by ESD from the Port Authority of New York & New Jersey, MTA will fund the new additional amount added to the contract.

#### **V. Environmental Review**

The scope of work activities covered by the Force Account Agreement and its proposed amendment have been addressed by environmental review undertaken by ESD as lead agency pursuant to the State Environmental Quality Review Act. No further environmental review is needed for the requested authorization.

#### **VI. Responsible Parties**

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto, staff has; a) considered Amtrak's ability to perform the services provided for in the proposed agreement; and b) consulted the list of officers determined to be non-responsible bidders and debarred officers maintained by the New York State Office of General Services. Based on the foregoing, staff considers the Amtrak to be responsible.

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

The National Railroad Passenger Corporation (Amtrak) Non-Discrimination and Affirmative Action policies will apply.

#### **VIII. Requested Actions**

The Directors are requested to authorize (i) the partial assignment to and assumption by ESD of the Amtrak contract with respect to the scope of work as described herein for an amount not to exceed \$1.5M; (ii) an amendment of the Phase 1 Force Account, Construction and Staging

License and Contribution Agreement with Amtrak in support of work for the transition from Phase 1 to Phase 2 of the Moynihan Station Project; (iii) extension of the contract term through December 31, 2017; (iv) an addition to the contract amount of \$1.5 million, thereby bringing the cumulative contract amount to \$38.25 million.

**IX. Recommendation**

Based on the foregoing, ESD staff recommends approval of required actions.

**X. Attachment**

Resolutions

July 27, 2017

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - New York City (New York County) – Penn Station - Farley Complex - Moynihan Station Civic and Land Use Improvement Project - Authorization to Assume and Amend the Agreement with the National Railroad Passenger Corporation (“Amtrak”) for Force Account Services related to Moynihan Train Hall; 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 National Railroad Passenger Corporation (“Amtrak”) to be responsible; and be it further

BE IT RESOLVED, that in accordance with the Materials, the Corporation is hereby authorized to assume and amend the Phase 1 Force Account, Construction and Staging License and Contribution Agreement with Amtrak for force account services in order to add to the scope of work so that the amount to be paid to Amtrak by ESD pursuant to the agreement will not exceed \$1.5 million and the aggregate amount of the contract will not exceed \$38.25 million 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, or other Officer of the Corporation, or his designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing Resolutions.

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