I. CORPORATE ACTIONS

A. Approval of Minutes of the September 19, 2017 Directors' Meeting  Presented
   By: Howard Zemsky  Approve
   091917 ESD - Page 4

Oral Reports

A. President’s Report
B. Presentation on the Small Business Division
C. Loans and Grants - Summary of Projects

II. PROJECTS

A. Regional Council Award - Rochester (Finger Lakes Region - Monroe County) –
   City of Rochester Public Market Capital – Regional Council Capital Fund
   (Capital Grants)  Presented By:  Approve
   Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to to
   Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take
   Related Actions’; Determination of No Significant Effect on the Environment
   City of Rochester Public Market Capital - Page 43
   City of Rochester Public Market Capital Photographs - Page 53

B. Regional Council Award – Priority Project - Rochester (Finger Lakes Region –
   Monroe County) – University of Rochester Goergen Institute Capital – Regional
   Council Capital Fund and Upstate Revitalization Initiative (Capital Grants)
   Presented By:  Approve
   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; Determination of No Significant Effect on the Environment
   University of Rochester Goergen Institute Capital - Page 59
   University of Rochester Goergen Institute Photographs - Page 70

C. Regional Council Award – Priority Project - Roxbury (Southern Tier Region -
   Delaware County) – Masserson at Roxbury Capital – Upstate Revitalization
   Initiative (Capital Grant)  Approve
   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
   Masserson at Roxbury Capital - Page 73

D. Elmira (Southern Tier Region – Chemung County) – Downtown Elmira Mixed-
   Use Capital – Downtown Revitalization Initiative and Restore New York –
   Commercial Mixed-Use Development (Capital Grants)  Presented By:  Approve
   Termination of General Project Plan for the Elmira – Restore II Water Street
   Redevelopment Project Previously Adopted on September 18, 2008; Findings and
   Determinations Pursuant to Section 10(g) of the Act; Adoption of the Proposed
   General Project Plan for the Downtown Elmira Commercial Mixed-Use Development

Capital Project; Authorization to Hold a Public Hearing, to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

Downtown Elmira Mixed Use Capital - Page 87

E. Regional Council Award – Oswego (Central New York Region – Oswego County) – Super Dirt Week at Oswego Speedway Capital - Regional Council Capital Fund (Capital Grant) Approve
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
Super Dirt Week at Oswego Speedway Capital - Page 101

III. Non-Discretionary Projects Consent Calendar Presented By: Simone Bethune
Approve
Findings and Determinations Pursuant to Section 10(g) of the act; Adoption of General Project plans; Authorization to Make a Grant and to Take Related Actions

A. Special Appropriation Clarkson Trudeau (Executive)
Trudeau Institute 3.0 Working Capital - Trudeau Institute (Franklin Count) - $5,000,000
Non-Discretionary Consent Calendar Projects - Page 110

IV. New York Ventures

A. Statewide – Innovate NY Fund Program Presented By: Sharon Rutter Approve
Authorization to Increase Amount to Four Investment Funds Previously Approved; Authorization to Disburse Funds; and Authorization to Take Related Actions
NYSIVCF Innovate NY Fund Program - Page 121

B. New York State Innovation Venture Capital Fund (“NYSIVCF”) Presented By: Brian Keil Approve
Authorization of an Investment of NYSIVCF Funds in Kyras Therapeutics, Inc.
NYSIVCF Kyras Therapeutics Inc. - Page 127

V. Moynihan Station Civic and Land Use Improvement Projects

A. New York City (New York County) – Moynihan Station Land Use Improvement Project Presented By: Michael Evans Approve
Authorization to Enter into a Contract for Legal Services and Authorization to Take Related Actions
MSDC-Skadden Arps Contract - Page 132

B. New York City (New York County) - Moynihan Station Civic and Land Use Improvement Project Approve
Authorization to Amend a Contract with Hardwick Law Firm, LLC to Provide Legal Services in Connection with the Financing of the Daniel Patrick Moynihan Train Hall
MSDC-Hardwick Law Firm LLC Amendment - Page 137

VI. Life Sciences Initiative

A. Wadsworth Public Health Laboratory Redesign Project – Phase II Approve
Authorization to Enter into a Contract for Consulting Services in Connection with the Wadsworth Laboratory Redesign Project and to take Related Actions
Life Sciences Initiative-Wadsworth Public Health Laboratory Redesign Project - Page 141

B. Rochester (Finger Lakes Region – Monroe County) – Upstate Drug Discovery Center Working Capital – Life Sciences Initiative Fund (Working Capital Fund)
VII. Administrative Actions

A. Land Bank Program  Presented By: Steve Gawlik  Approve
   Approval of Land Bank Application and Authorization to Take Related Actions
   Land Bank Application - Page 156

B. Amendment to Contract to Provide Marketing Services Including Advertising,
   Digital Marketing, Events, Media Planning and Buying Services  Approve
   Authorization to Amend an Existing Contract with Lowe & Partners Worldwide, Inc.
   d/b/a Campbell Ewald New York ("CE-NY")
   Campbell Ewald Contract Amendment - Page 160

C. Procurement of Legal Services  Presented By: Jonathan Beyer  Approve
   Authorization to Amend the Contract with the Law Firm of Winston & Strawn, LLP to
   Continue to Provide Legal Services as Bond Tax Counsel in Connection with
   Correctional and Youth Facilities Bonds and to Take Related Actions
   Winston & Strawn LLP Contract Amendment - Page 165
NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development
Meeting of the Directors
New York City Regional Office
633 Third Avenue
37th Floor Conference Room
New York, New York 10017

September 19, 2017

MINUTES

In Attendance
Howard A. Zemsky (Acting Chair)
Derrick Cephas
Robert Dyson
Hilda Rosario Escher
Cesar Perales
Heather McArn, Designee - Superintendent (New York State Department of Financial Services – via video conference)

Present for ESD:
Samantha Baldock, Director – Regional Initiatives
Simone Bethune, Project Manager – Loans and Grants
Jonathan Beyer, Senior Counsel
Lindsey Boylan, Chief of Staff
Maria Cassidy, Deputy General Counsel
Thomas Conoscenti, Vice President – Real Estate Development
Elizabeth Fine, Executive Vice President – Legal and General Counsel
Jolyon Handler, Vice President - Contract Administration
Kevin Hansen, Vice President – Strategy, Operations and Policy
Brendan Healey, Vice President – Economic Incentives
Brian Keil, Managing Director – NYS Innovation Venture Capital Fund
Ann Kenney, Treasurer
Elaine Kloss, Chief Financial Officer
Edwin Lee, Vice President – Economic Incentives
Holly Leicht, Executive Vice President – Real Estate Development and Planning
Benson Martin, Director of Compliance
The meeting of the Directors of the New York State Urban Development Corporation ("UDC") d/b/a Empire State Development ("ESD" or the "Corporation") was called to order at 9:35 a.m. by Acting Chair Zemsky. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, the Acting Chair set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda. No conflicts were noted.

Acting Chair Zemsky then called for a motion to approve the Minutes of the August 17,
2017 Directors’ meetings. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE AUGUST 17, 2017 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on August 17, 2017, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Next, the Acting Chair asked the Directors to approve the appointment of Holly Leicht to the office of Executive Vice President, Real Estate Development and Planning and asked Ms. Leicht to give a brief history of her background.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Officer of the Corporation – Appointment of Executive Vice President, Real Estate Development and Planning

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 August 28, 2017:
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.

* * *

Acting Chair Zemsky then called on Christine Costopoulos to present the New York State Veterans Farmer Grant Fund item for the Directors’ consideration.

Ms. Costopoulos explained that the Directors are being asked to approve the adoption of guidelines, make grants, and authorize the delegation of authority to take related actions on this new grant.

Ms. Costopoulos further explained that the fund is in the amount of $250,000 and will provide grants to veterans who own farms in New York State or wish to expand their farm operations in New York State. The grants will be in amounts between $15,000 and $50,000.

Ms. Costopoulos also noted that this grant was modeled after the new Farmers Grant Fund except for two differences: (1) at least 50 percent of the farm has to be owned by a veteran; and (2) there are no restrictions on the number of years the veteran has to be farming.
Following the full presentation, the Acting Chair called for questions or comments.

Director Escher asked if there were any incentives for farm workers other than veterans.

Ms. Costopoulos responded that this grant is restricted to farmers only.

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

RESOLVED, that the Corporation hereby authorizes the New York State Veterans Farmer Grant Fund Program (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 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 and award grants to eligible recipients pursuant to the Program in accordance with the Guidelines and these Materials (each such grant for the Program being hereby authorized) 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 President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grants, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

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, including without limitation, to make findings and hold 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.

* * *

Acting Chair Zensky then explained that following this brief presentation, he will call upon the individual Regional Directors or their representatives to present the projects from their region.

Next, the Acting Chair asked Edwin Lee to present a summary of the Project items on the Agenda.

Mr. Lee noted that the Directors will be asked to consider 7 projects totaling $51,675,000 in grants, including two Regional Council awards and five discretionary awards.

Mr. Lee further explained that these projects will take place in various regions and will leverage over $130 million of additional investment, retain 675 jobs and will create 185 jobs in the State.

Next, the Acting Chair asked Donna Howell, the Director of the Southern Tier Regional
office to present the next two items on the Agenda for the Directors’ consideration.

The first project Ms. Howell presented, was an Upstate Revitalization Initiative grant to the Town of Nichols in the amount of $1.8 million to be used for construction costs and the purchase of machinery and equipment for the renovation and expansion of a wastewater treatment facility in Tioga County.

The next project Ms. Howell presented, was also an Upstate Revitalization Initiative grant to Incodema 3D in the amount of $400,000 to be used for a portion of the costs of machinery and equipment, for the expansion of a metal 3D printing and additive manufacturing company in Freeville, Tompkins County.

Following the full presentation of both projects, the Acting Chair called for questions or comments. Director Perales asked if there was another State agency that supports wastewater facilities.

Ms. Howell explained that although there are other agencies that support wastewater facilities, this particular project was more appropriate for ESD because it supports a large manufacturing facility which created 160 jobs in Nichols.

Director Perales then asked if the wastewater treatment was for a community or a city. The Acting Chair responded that it was attached to another expansion project.
The Acting Chair then called for any further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Nichols (Southern Tier Region – Tioga County) – Town of Nichols 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

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 Town of Nichols 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, 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 Nichols a grant for a total amount not to exceed One Million and Eight Hundred Thousand Dollars ($1,800,000) 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 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.

* * *

Nichols (Southern Tier Region – Tioga County) – Town of Nichols Capital – Upstate Revitalization Initiative (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Priority Project - Village of Freeville (Southern Tier Region – Tompkins County) – Incodema URI 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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upstate 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 Incodema3D, LLC a grant for a total amount not to exceed four-hundred thousand Dollars ($400,000) 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.

* * *

Next, Acting Chair Zemsky called on Vincent Esposito, the Directors of ESD’s Finger Lakes Regional Office, to present the North American Breweries Capital grant item for the Directors’ consideration.

Mr. Esposito explained that the Directors are being asked to approve two Upstate Revitalization Initiative capital grants for the same project, for a total amount of $5 million. The grants will be used for the cost of construction, renovations and the modernization of their Genesee Brewing facility in downtown Rochester.
Mr. Esposito further explained that there are two phases to the project. The first phase involves the modernization of the brewery facility, and the second phase is the expansion and renovation of their Brew House Restaurant, which includes a tasting room to create a larger event space and a learning center to allow micro brewers to practice and learn the craft of the brewery.

Lastly, Mr. Esposito noted that the project will create 128 jobs and will be completed in May 2020.

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

Priority Project – Rochester (Finger Lakes Region – Monroe County) – North American Breweries Capital – Upstate Revitalization Initiative (Capital Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the North American Breweries 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 North American Breweries, Inc. two grants for a total amount not to exceed Five Million Dollars ($5,000,000) 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 grants, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

* * *

Next, the Acting Chair called on Meghan Taylor, the Director of ESD’s Mid-Hudson Regional Office to present the Polich Tallix Capital grant for the Directors’ consideration.

Ms. Taylor explained that the Directors are being asked to approve an Economic Development Corporation capital grant in the amount of $475,000 to be used for expansion and job creation in the Village of Walden in Orange County.
Ms. Taylor further explained that the company purchased, renovated and equipped their new building to accommodate anticipated growth in new process centers such as 3D printing, CAD technology and 5-axis CNC milling.

Ms. Taylor also noted that the project will retain 88 existing jobs and will create an additional 13 jobs, 5 of which have already been created.

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

Walden (Mid-Hudson Region – Orange County) – Polich Tallix Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Polich Tallix 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 Polich Tallix, Inc. a grant for a total amount not to exceed Four Hundred and Seventy Five Thousand Dollars ($475,000) 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.

* * *

Next, the Acting Chair called on Joseph Tazewell, the Director of New York City’s Regional Office to present the Boyce Technologies grant for the Directors’ consideration.
Mr. Tazewell explained that the Directors are being asked to approve a Regional Council Capital Fund grant in the amount of $1 million to Boyce Technology to be used for renovations and to purchase new equipment in connection with a $32 million expansion project.

Mr. Tazewell further explained that the company is a designer and manufacturer of innovative public safety communications systems, including radio and wireless systems, public address, intercoms, security alarm systems, trains’ dispatch, digital signage and other technologies.

Mr. Tazewell noted that the company has already created 28 of the 41 jobs agreed to in the offer, and that the project is expected to be completed in October 2017.

Following the full presentation, the Acting Chair called for questions or comments. Director Perales asked for further clarification on the number of jobs being created.

Mr. Tazewell reiterated that under the agreement, there is a commitment to create 41 new jobs. The Acting Chair also explained that new jobs will be created over a specified period of time.

The Acting Chair then called for any further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Regional Council Award – Long Island City (New York City Region – Queens County) –
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 Boyce Technologies 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 Boyce Technologies, Inc. a grant for a total amount not to exceed One Million Dollars ($1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.
Next, the Acting Chair called on Stephen Hunt, the Director of ESD’s North Country Regional Office to present the Plattsburgh International Airport Terminal Capital grant item for the Directors’ consideration.

Mr. Hunt explained that the Directors are being asked to approve a $4.5 million Regional Council Capital grant, to be used for a portion of the cost of construction of a $54 million airport, terminal modernization and improvements project.

Mr. Hunt further explained that employment, which is currently 150,000, will increase to 300,000 employees at the completion of the project.

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

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

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 “Corporation”) relating to the Plattsburgh International Airport Terminal Capital -- Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines 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.
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 Clinton County a grant for a total amount not to exceed Four Million Five Hundred Thousand Dollars ($4,500,000) 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.

* * *

Regional Council Award - Priority Project - Plattsburgh (North Country Region – Clinton County) – Plattsburgh International Airport Terminal Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment
RESOLVED, that based on the material submitted to the Directors with respect to the Plattsburgh International Airport Terminal Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, The Acting Chair next called on Kevin Hansen to present the FRMC-NFX Capital grant project for the Directors’ consideration.

Mr. Hansen explained that the Directors are being asked to approve a $38.5 million capital grant to Fuller Road Management Corporation. He also noted that the Directors are being asked to make findings and determinations pursuant to Section 10(g) of the UDC Act, authorize the adoption of a proposed General Project Plan and take related actions.

Mr. Hansen further explained that the purpose of the grant is to reimburse Fuller Road for costs associated with the design, construction and recent improvements of the Nano Fab Extension building on SUNY Poly’s campus in Albany.

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

Regional Council Award - Priority Project – Plattsburgh (North Country Region – Clinton County) – Plattsburgh International Airport Terminal Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Plattsburgh International Airport Terminal 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 Clinton County a grant for a total amount not to exceed Four Million Five Hundred Thousand Dollars ($4,500,000) 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.

* * *

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

* * *

Next, the Acting Chair noted that Simone Bethune and Tom Conoscenti will be presenting the September Non-Discretionary Consent Calendar for the Directors’ consideration.

Ms. Bethune explained that non-discretionary refers to those projects listed in the New York State budget that enhance the State’s communities through cultural, educational, research and development, and civic organizations.

Ms. Bethune further noted that these projects originate from the Governor, the Assembly or the Senate and ESD is named to administer funding. ESD, she added, does not select the recipients for funding.

Ms. Bethune presented the first three projects. The first project, she explained is a $300,000 Senate-sponsored capital grant to the Fulton County Center for Regional Growth. She noted that the grant will provide funding assistance to establish a business incubator facility to promote startup companies.
Ms. Bethune further explained that the Center has been tasked by County leaders to focusing efforts to attract, retain and assist employers in Fulton County and its neighboring communities. The center will lead to at least 30 jobs at the companies taking part in the business incubator and will reduce the commercial vacancy rate in downtown Gloversville.

Mr. Bethune further noted that the center will reach completion in June 2018.

The second project involves a $500,000 Senate-sponsored grant to Clinton County’s Plattsburgh International Airport which is located at the former Plattsburgh U.S. Airforce Base.

Ms. Bethune explained that this grant will be used to reimburse costs to design and construct a 30,000 square foot federal aviation administration inspection station and reached completion in June 2017.

The third project Ms. Bethune presented, is $6 million of a $25 million Executive-sponsored appropriation from the Transformative Investment Program to Hofstra University.

Ms. Bethune explained that the grant will be used to complete the planning and design of a new state-of-the-art 65,000 square foot building. The remaining $19 million represents the construction portion which will be presented to the Directors at a future meeting once SEQRA requirements are in place.
Ms. Bethune also noted that the design phase is expected to be completed between 2018 and 2019, with construction to be completed in 2023.

Next, Tom Conoscenti presented the last item under the Non-Discretionary projects.

Mr. Conoscenti explained that the Directors are being asked to approve a permanent loan of up to $138 million to be used for a portion of the capital costs of phase one renovations to transform the Kingsbridge Armory into the Kingsbridge National Ice Center (“KNIC”).

Mr. Conoscenti further explained that this rink will be used for various purposes including both professional and non-professional.

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

Director Perales asked for clarification on the permanent loan.

Mr. Conoscenti explained that KNIC will go to a bank to finance the construction and once the construction is complete, this permanent loan will refinance that construction loan.

The Acting Chair then called for any further questions or comments. Hearing none, and upon motion fully made and seconded, the following resolution was unanimously adopted:

Local Assistance – Findings and Determinations Pursuant to Sections 10(g) of the Act; Adoption of the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions
RESOLVED, that on the basis of these materials, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Local Assistance 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(s); and be it further

RESOLVED, that the Corporation is authorized to make a grant to the parties and for the amounts listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in these materials, 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, copies of which Plans 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 Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in these materials, 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; (2) receipt of all other necessary approvals; and (3) receipt of funds

Local Assistance Program-Senate – Project Summary Table

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<tr>
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<td></td>
<td><strong>$300,000</strong></td>
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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.

* * *

Transformative Investment Program – Findings and Determinations Pursuant to Section 10(g) of the Act; Adoption of the Proposed General Project Plan; Authorization to Make A Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Hofstra University – School of Engineering and Applied Sciences 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

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<td>$6,000,000</td>
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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.

* * *

Special Appropriation – Kingsbridge National Ice Center & New York Works Economic Development Fund – Findings and Determinations Pursuant to Section 10(g) of the Act; Adoption of the Proposed General Project Plan; Authorization to Make A Loan and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is
hereby ordered filed with the records of the Corporation, relating to the Special Appropriation-Kingsbridge Armory 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(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 the Special Appropriation – Kingsbridge National Ice Center & New York Works 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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the applicable Project 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 Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, staff is authorized to make a loan to the parties and for the amounts listed below from Special Appropriation – Kingsbridge National Ice Center & New York Works Economic Development Fund, 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 loan, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan as he or she may deem necessary or appropriate in the administration of the loan; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) receipt of funds

Special Appropriation – Kingsbridge National Ice Center & New York Works Economic Development Fund-Executive – Project Summary Table

<table>
<thead>
<tr>
<th>Special Appropriation – Kingsbridge National Ice Center</th>
<th>Borrower</th>
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</table>

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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.

* * *

Acting Chair Zemsky then called on Clayton Besch to present the first of two New York State Innovation Venture Capital Fund items for the Directors’ consideration.

Mr. Besch explained that the Directors are being asked to approve a grant in the amount of $1 million to Vital Vio, and its current preferred stock round of $3 million.

Mr. Besch further explained that Vital Vio is a start-up commercialized IP from RPI to develop an LED light solution that disinfects surfaces safely rather than destroying cell membranes of all the living cells.

Acting Chair Zemsky then called on Brian Keil to present the other New York State Venture Capital Fund item on the agenda for the Directors’ consideration.

Mr. Keil explained that the Directors are being asked to approve a grant in the amount
of $300,000 to Seamless Docs, a company based in New York City, that develops software platforms that convert paper forms and pdf based documents into user friendly interactive online processes.

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


RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the New York State Innovation Venture Capital Fund, the Corporation is authorized to make an investment, in an amount not to exceed $1,000,000 in Vital Vio, Inc. (the “Company”) and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the investment, and each of them hereby is, authorized to take such actions, including modifying the terms of the investment and entering into additional agreements with the Company and others, as he or she may deem necessary or appropriate in the administration of the Corporation’s investments in the Company; and be it further

RESOLVED, that the provision by the Corporation of financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; and be it further

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

* * *
RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the New York State Innovation Venture Capital Fund, the Corporation is authorized to make an investment, in an amount not to exceed $300,000, in Bizodo, Inc. d/b/a SeamlessDocs (the “Company”) and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the investment, and each of them hereby is, authorized to take such actions, including modifying the terms of the investment and entering into additional agreements with the Company and others, as he or she may deem necessary or appropriate in the administration of the Corporation’s investments in the Company; and be it further

RESOLVED, that the provision by the Corporation of financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; and be it further

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

* * *

Next, Samantha Baldock presented two Market Order Program contracts for the Director’s consideration.

The first project, Ms. Baldock explained, is a Marketing and Promotion contract in the amount of $2,084,200 through the Apple Marketing Order.
Ms. Baldock noted that the contract is for a term of one year, and will provide marketing and promotion of the New York State Apple industry through activities related to consumers, retailers, food service and the U.S. Apple Association.

The second project Ms. Baldock presented, is an apple research and development contract in the amount of $17,400 with the United States Department of Agriculture to be funded through the Apple Research and Development program.

Ms. Baldock explained that the term of the contract is from April 1, 2016 to September 30, 2017 and will determine which apple root stock grows best in specific types of soil across New York State, and will improve the breeding and selection of these root stocks.

Following the full presentation of both items, the Acting Chair called for questions or comments. Director Dyson asked if these contracts should be for more than one year.

Ms. Baldock explained that because the advisory board for each of these marketing orders has to approve the proposal and budget every year, these contracts are limited to one year increments.

The Acting Chair then called for any further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:
BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”) a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds the New York Apple Association, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with the New York Apple Association for a total contract amount of Two Million Eighty Four Thousand Two Hundred Dollars ($2,084,200) 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.

* * *

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with the United States Department of Agriculture for a total contract amount of Seventeen Thousands Four Hundred Dollars ($17,400) 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.

* * *

The Acting Chair then called on Michael Evans, the President of the Moynihan Station Development Corporation to present the next item for the Directors’ consideration.

Mr. Evans explained that the Directors are being asked to approve a consulting contract amendment for an additional $3.3 million with the Port Authority of New York and New Jersey.

Mr. Evans noted that this contract is being amended to ensure that the same Port team that worked on phase one of the project will continue to work on phase two of this project.

Following the full presentation, the Acting Chair called for questions or comments. Director Cephas inquired about the size of the phase one contract.

Mr. Evans explained that the phase one contract was originally for $4.5 million, with an additional $1 million added because the Port Authority handled special inspections for phase one.

The Acting Chair then called for any further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:
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 the PANYNJ to be responsible; and be it further

RESOLVED, that in accordance with the Materials, the Directors hereby authorize the Corporation to assume and amend the contract with the PANYNJ as described in the Materials so that the amount to be paid to PANYNJ by ESD pursuant to the contract will not exceed $3,300,000 for Phase 2 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 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.

* * *

Acting Chair Zemsky then called on Steve Gawlik to present the Land Bank item on the agenda for the Directors’ consideration.

Mr. Gawlik explained that the Directors are being asked to approve a land bank application to Wayne County.

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

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

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

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

* * *

Next, the Acting Chair called o Rachel Shatz to present a contract for environmental consulting services for the Directors’ consideration.

Ms. Shatz explained that the Directors are being asked to approve a contract related to Belmont Park in preparing an Environmental Impact Statement for developing select parcels in Elmont, New York.

Mr. Shatz further explained that the parcels being developed comprise of site A and site B, which is currently being used for surface parking and consists of 36 acres.

Lastly, Ms. Shatz noted that the contract will be for two years and will not exceed $2 million inclusive of reimbursables and contingency costs.
Following the full presentation, Acting Chair Zemsky called for questions of comments.

Director Perales inquired as to the need for parking at Belmont Park.

Ms. Shatz explained that parking is very important to accommodate the events being held at Belmont Park.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter Into a Contract with AKRF, Inc. to Provide Environmental Consulting Services in Connection with the Development of Select Parcels at Belmont Park and to Take Related Actions

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 AKRF, Inc. (“Consultant”) to be responsible; and be it further RESOLVED, that the Corporation is hereby authorized to enter into a contract with Consultant in an amount not to exceed $2,000,000, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further RESOLVED, that the President and Chief Executive Officer and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing.

* * *

Jonathan Beyer then presented the Sullivan Annex Correctional Facility item for the Directors’ consideration.
Mr. Beyer explained that the Directors are being asked to authorize the transfer of the portion of the Sullivan Annex property owned by ESD, authorize the determination of the related month-to-month tenancies, authorize the Corporation to take all related actions and obtain the bond counsel opinion as required by the Fallsburg Act.

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


RESOLVED, that based on the materials presented to this meeting and ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”) relating to the former Sullivan Annex, the Corporation be and hereby is authorized to: (i) transfer real property from the Corporation consisting of a portion of the Sullivan Annex to the Office of General Services; (ii) terminate any related leases; (iii) utilize bond counsel to confirm compliance with applicable provisions of federal tax law; (iv) make a determination of no significant effect on the environment; and (v) take all related actions deemed necessary or appropriate to accomplish such disposition and conveyance, including the execution of all forms necessary for the recording of the deed; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designees be, and each of them hereby is, authorized to take any and all actions necessary or appropriate to (i) carry out the foregoing resolutions and to carry out any authority or delegation granted to the Corporation in conjunction with such authorizations and (ii) in connection with the disposition of the Sullivan Annex, to preserve the any federal income tax exemption of interest, or any eligibility for federal tax credit payments with respect to interest, as applicable, on any outstanding bonds of the Corporation that refinanced the Sullivan Annex, including, but not limited to, the preparation and execution of any agreements, instrumentation and/or
documents as such authorized officer or designees may deem necessary or appropriate. Any actions previously take by the Corporation consistent with this authorization are hereby ratified and affirmed.

* * *

Mr. Beyer presented the last item on the agenda, a contract amendment in the amount of $150,000 to Schoeman Updike and Kaufman LLP for the Directors’ consideration.

Mr. Beyer explained that in 2016 the firm of Schoeman Updike and Kaufman, LLP was retained for the sale of the Fountain Avenue property when the law firm Gonzalez Sagge dissolved and could no longer represent the Corporation.

Mr. Beyer further explained that under that retainer agreement all monies were exhausted and an amendment retention was necessary to pay the outstanding balance and obtain additional legal services to ensure the phasing of the development, affordable housing and the construction schedule and other obligations set forth.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – Procurement of Legal Services - Authorization to Amend the Contract with the Law Firm of Schoeman Updike & Kaufman LLP to Continue to Provide Legal Services in Connection with Disposition of, and Post Closing Obligations Related to, Two Non-Contiguous Parcels of Undeveloped Land within the Brooklyn Development Center in Brooklyn, NY (the “Fountain Property”) and to Take Related Actions
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 Schoeman Updike & Kaufman LLP (“Counsel”) to be responsible; and be it further

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

* * *

There being no further business, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Debbie Royce
Assistant Corporate Secretary
FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Rochester (Finger Lakes Region – Monroe County) – City of Rochester Public Market 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; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: City of Rochester (“Rochester” or the “City”)

ESD* Investment: Two grants of up to $2,000,000 to be used for a portion of the cost of construction, renovations, construction management, and soft costs

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

Project Location: 280 N. Union Street, Rochester, Monroe County

Proposed Project: The City of Rochester constructed new operating space and renovated the City of Rochester Public Market (“Market”) into a year-round operating facility with new capacity for cooking, storage, and retail areas.

Project Type: Capital renovation and new construction

Regional Council: The project is consistent with the Finger Lakes Regional Economic Development Council Plan to advance the agriculture and food processing industries and invest in community and industrial development and infrastructure.
II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction / Renovation</td>
<td>$7,948,977</td>
</tr>
<tr>
<td>Construction Management</td>
<td>580,000</td>
</tr>
<tr>
<td>Project Soft Costs</td>
<td>1,198,000</td>
</tr>
</tbody>
</table>

Total Project Costs $9,726,977

<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESD-Grant (#Z022)</td>
<td>500,000</td>
<td>5%</td>
</tr>
<tr>
<td>ESD-Grant (#Z848)</td>
<td>1,500,000</td>
<td>15%</td>
</tr>
<tr>
<td>NYS Agriculture &amp; Market Grant</td>
<td>1,800,000</td>
<td>19%</td>
</tr>
<tr>
<td>DASNY Grant</td>
<td>500,000</td>
<td>5%</td>
</tr>
<tr>
<td>Grantee Equity</td>
<td>5,426,977</td>
<td>56%</td>
</tr>
</tbody>
</table>

Total Project Financing $9,726,977 100%

III. Project Description

A. Company

Industry: Municipality/ Local Government

Organization History: The City of Rochester is located on the southern shore of Lake Ontario and is the seat of Monroe County. The population was 210,565 as of the 2010 census. The City is the center of a larger five-county metropolitan area that has an estimated population of 1,079,671. Since 1905, the City of Rochester Public Market has provided retailing opportunities to farmers, food producers, and small independent businesses.

Ownership: The City has a mayor and a city council comprised of five at-large members who represent the entire City and four district members who represent the South, Northwest, East, and Northeast sections of the City.

Size: The City of Rochester has a population of 210,565 as of the 2010 census. The City of Rochester Public Market employs 1 manager and 4 full-time City employees directly responsible for the operation as well as contracted security and traffic services. The Market has over 300 leaseholders and over 1,000 private-vendors and sellers who participate on a daily basis or at special events.

Market: The City of Rochester Public Market serves the nine-county Finger Lakes
region. The total number of farms grew 2% between 2002 and 2007, from 5,633 to 5,762 farms. During the same period, the number of farms selling directly to consumer grew 15% from 787 to 904 while direct sales increased 32% from $8.6 to $11.3 million. The Market is the largest public market facility in the region and more than 2 million customers visit each year.

ESD Involvement: The City submitted a proposal under Round 3 of the Consolidated Funding Application (“CFA”) to assist with the construction of a new Market shed as well as construction of a new 9,000-square-foot storefront building at the Market’s entrance. A proposal under Round 4 of the CFA was also submitted to assist with the construction of a new operating space and renovation of the facility to a year-round operating facility with new capacity for cooking, storage, and retail areas. As a result of the Regional Economic Development Council Initiative, the City was awarded $500,000 in Round 3 and $1,500,000 in Round 4 to assist with this project.

Competition: N/A

Past ESD Support: Since 1994, the Grantee has received $20,091,200 in funding.

Funding for the past five years to the Grantee, totaling $100,000, is summarized in the following chart:

<table>
<thead>
<tr>
<th>Program</th>
<th>Project #</th>
<th>Amount</th>
<th>Date Start (ESD Directors’ Approval date)</th>
<th>Date End (Project Completion: Contract Expiration)</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCDP - RC 4</td>
<td>Z873</td>
<td>$100,000</td>
<td>February 18, 2017</td>
<td>December 31, 2018</td>
<td>Working Capital – Study for performing arts center.</td>
</tr>
</tbody>
</table>

B. The Project

Completion: August 2017

Activity: The Market facilities were expanded to create an active market district for year-round activity serving a wide range of customers. The project resulted in the construction of a new market Shed D next to and similar in design to the historic Shed A. The new shed resulted in the creation of 48 new vendor stalls and increased capacity by nearly 30%. Additionally, demolition and reconstruction of the Winter Shed as a year-round, indoor facility was completed. The new Winter Shed facility allows for cooking, storage, and retailing of fresh and prepared foods. Other
improvements to the Winter Shed included additional restrooms, improved seating areas, improvements to the appearance, and an additional indoor lease-able space for the Market.

Results: The project ensured operational continuity for current vendors and expanded the number of vending spaces. With sales conservatively estimated at $22 million, the Market is already a major economic engine for the region. The City conducted a master plan in 2012, which estimated that the project would increase sales by $8 million, create 291 jobs in the region, and lead to $177 million in economic impact over 10 years. Pro forma analysis shows that the project enhances the Market’s financial position on an operating basis while providing additional funds for outreach and education.

Economic Growth

Investment Projects: 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: James Farr, Assistant Manager of Recreation
City of Rochester Department of Recreation and Youth Services
400 Dewey Avenue
Rochester, NY 14613
Phone: (585) 428-6866
E-mail: James.Farr@CityofRochester.gov

ESD Project No.: Z022/Z848

Project Team: Origination Kevin Hurley
Project Management Emma Miran
Contractor & Supplier Diversity Geraldine Ford
Finance Jonevan Hornsby
Environmental Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the 2,000,000 ($20,000) 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 2,000,000 will be disbursed to Grantee upon documentation of project costs totaling $8,328,000, 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 June 24, 2014 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 2,000,000, 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 – 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, although the funding of this project by ESD may constitute an “action” as defined by the State Environmental Quality Review Act (“SEQRA”), the project itself has been previously completed. ESD’s action in the funding decision will not alter the adverse environmental impacts, if any, of the project as completed. ESD staff accordingly believes that funding the completed project will not have any significant adverse impacts on the environment. Therefore, it is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal
of 30% 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
Regional Council Award – Rochester (Finger Lakes Region – Monroe County) – City of Rochester Public Market 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

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 City of Rochester Public Market 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 City of Rochester grants for a total amount not to exceed Two Million Dollars (2,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

* * *
RESOLVED, that based on the material submitted to the Directors with respect to the City of Rochester Public Market Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *


October 19, 2017
FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – University of Rochester Goergen Institute Capital – Regional Council Capital Fund and Upstate Revitalization Initiative (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; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: University of Rochester ("UR" or the "University")

ESD* Investment: Three grants of up to $15,000,000 (Z895 - $1,500,000, AA699 - $1,000,000, AB838 - $12,500,000) to be used for a portion of the cost of construction of a new building

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

Project Location: 518 Highland Building, Rochester, Monroe County

Proposed Project: Construction of a new 60,000-square-foot building at the River Campus (Wegmans Hall) to house the Goergen Institute ("Institute") for Data Science and the New York State Center for Excellence in Data Science

Project Type: Construction of a new academic research facility

Regional Council: This project is consistent with the Finger Lakes Regional Economic Development Council as it will spur significant regional economic growth.
Peter Robinson, the Vice President of Government Relations of the University of Rochester, is a member of the 20-member Finger Lakes Regional Economic Development Council. In conformance with the State’s policy, this individual has recused himself on votes recommending this project. The Council includes 12 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Construction</td>
<td>$38,786,480</td>
</tr>
<tr>
<td>Furniture, Fixtures, and Equipment</td>
<td>$4,000,000</td>
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<tr>
<td>Soft Costs</td>
<td>$7,213,520</td>
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<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>$50,000,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESD-Grant (#Z895)</td>
<td>$1,500,000</td>
<td>3%</td>
</tr>
<tr>
<td>ESD-Grant (#AA699)</td>
<td>$1,000,000</td>
<td>2%</td>
</tr>
<tr>
<td>ESD-Grant (#AB838)</td>
<td>$12,500,000</td>
<td>25%</td>
</tr>
<tr>
<td>Grantee Equity</td>
<td>$35,000,000</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Total Project Financing</strong></td>
<td><strong>$50,000,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

III. Project Description

A. Grantee

Industry: Higher education and research

History: Formed in 1850, the University of Rochester is an institution of higher education, research and health care chartered by the State Board of Regents. Combined with its medical center and hospital, the University is the largest employer in the Finger Lakes Region, with over 25,000 equivalent full-time jobs. UR’s Medical Center (“URMC”), the region’s largest acute care facility, comprises the majority of those jobs with approximately 18,456 full-time equivalent employees. UR’s research represents a source of innovation and new technologies that can be harnessed for commercial potential. The University has a strong track record of helping convert its discoveries into commercial ventures. For the past several years, UR has been among the top 15 universities in the nation in terms of the royalty revenue it receives from its licensed
technologies. As of June 2017, the University of Rochester has facilitated
the formation of 61 startups, holds 740 U.S. and international patents,
and has more than 170 active license agreements for its technologies.

Ownership: UR is a private university.

Size: UR’s educational and main medical facilities are located in Rochester, NY.
Many other UR facilities are located throughout the Finger Lakes Region.
The University has an enrollment of over 11,000 students and, with its
affiliates, is the Finger Lakes Region’s largest employer with over 26,000
full-time equivalent employees.

ESD Involvement: Data science has become a bourgeoning field of study as a result of
technological advancement and the explosion of the existence and use of
data but it is estimated that the U.S. will experience a shortage of
approximately 200,000 skilled data scientists, managers, and analysts.
This new facility will allow the University to make a strategic,
transformational investment that will establish New York State as one of
the world’s leaders in this new field, building on existing strengths at the
University. The Goergen Institute for Data Science will open new doors of
inquiry for scientists to analyze huge volumes of data and create complex
models and simulations not previously possible. The applications of data
science are profound for science, energy, health, communications, and
everyday life. Nearly 2.5 quintillion bytes of data are created daily and
approximately 90% of the data in the world today has been created in the
last two years alone. This explosion of data creation, capture, and use has
created a need to better understand the interrelation of data and its
productive uses.

As a result of the Governor’s Regional Economic Development Council
initiative, UR was awarded $1,500,000 through Round 4 of the
Consolidated Funding Application (“CFA”) process, $1,000,000 through
Round 5 of the CFA process, and $12,500,000 through the Upstate
Revitalization Initiative to assist with the construction of a new 60,000-
square-foot building on the River Campus to house the Goergen Institute
for Data Science and the New York State Center for Excellence in Data
Science.

Competition: N/A
Past ESD Support: Funding for the past five years to the Grantee is summarized in the following chart:

<table>
<thead>
<tr>
<th>Program</th>
<th>Project #</th>
<th>Amount</th>
<th>Date Start (ESD Directors’ Approval date)</th>
<th>Date End (Project Completion: Contract Expiration)</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Council Capital Fund</td>
<td>X861</td>
<td>$1,700,000</td>
<td>December 20, 2012</td>
<td>2013</td>
<td>Capital — Phase I of Health Sciences Center for Computational Innovation (“HSCCI”)</td>
</tr>
<tr>
<td></td>
<td>X807</td>
<td>$3,300,000</td>
<td>December 20, 2012</td>
<td>2013</td>
<td>Capital — Phase I of HSCCI</td>
</tr>
<tr>
<td></td>
<td>Y252</td>
<td>$5,000,000</td>
<td>June 27, 2014</td>
<td>2015</td>
<td>Capital — Phase II of HSCCI</td>
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<tr>
<td></td>
<td>Y866</td>
<td>$500,000</td>
<td>June 25, 2015</td>
<td>2016</td>
<td>Capital — Machinery and Equipment for HSCCI</td>
</tr>
</tbody>
</table>

B. The Project

Completion: April 2020

Activity: The University built a 60,000-square-foot, state-of-the-art facility on the River Campus in Wegmans Hall to house the newly designated New York State Center of Excellence in Data Science and the Institute to build upon existing University infrastructure and strengths such as the Health Sciences Center for Computational Innovation (“HSCCI”). The Institute will serve as the umbrella for the University’s Big Data initiatives/programs. The New York State Center of Excellence for Data Science is a NYSTAR-supported center that is a part of the Institute and is located within Wegmans Hall. The facility will establish the University as a world leader in data science, unite a variety of disciplines for the purpose of data science research and studies, and attract highly talented researchers, engineers and computer scientists to empower collaborations across all fields. The Institute will train specialists to help meet this need and generate innovative new technologies that can be spun off into commercial ventures.
Results: More than 100 scientists have been awarded over $330 million in research funding related to high performance computation in the last six years. Currently more than 650 faculty, students, and research staff from 40 departments support computational and data-intensive research activities. The project will create 183 jobs in partnership with Harris Corporation forming the Rochester Data Science Consortium. The consortium will attract an additional $173.6MM in new research funding.

Economic Growth
Investment Projects
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: Donna Beyea, Associate Director
518 Highland Building
Rochester, NY 14627
Phone: (585) 451-0050
E-mail: Donna.Beyea@Rochester.edu

ESD Project No.: AA699, Z895, AB838

Project Team:
- Origination: Vincent Esposito
- Project Management: Saul Maneiro
- Contractor & Supplier Diversity: Geraldine Ford
- Finance: Jonevan Hornsby
- Environmental: Soo Kang

C. Financial Terms and Conditions
1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the $15,000,000 capital grants ($150,000) 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 $15,000,000 will be disbursed as progress payments no more frequently than
quarterly as reimbursement for eligible expenses at the Project Location during the course of construction, upon compliance with the Design & Construction requirements, and in proportion to ESD’s funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility as evidenced by a Certificate of Occupancy.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2014 to be considered eligible project costs. All disbursements must be requested by April 1, 2021.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $15,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund/Upstate Revitalization Initiative

The Regional Council Capital funding was authorized in the 2014-2015 and 2015-2016 New York State budgets and reappropriated in the 2015-2016, 2016-2017 and 2017-2018 New York State budgets. The Upstate Revitalization Initiative 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

The City of Rochester, as lead agency, has completed an environmental review of the subject property under the University of Rochester’s Planned Development District Update pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review, which considered the potential impacts of the level of development proposed under the University of Rochester’s Master Plan including that of the Data Science building, found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on February 19, 2010. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities
created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the eligible categories totaling approximately $13,500,000. As such, the goal MWBE utilization shall be no less than $4,050,000.

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
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 University of Rochester Goergen Institute Capital – Regional Capital Fund and Upstate Revitalization Initiative (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 University of Rochester grants for a total amount not to exceed Fifteen Million Dollars ($15,000,000) from the Regional Council Capital Fund and 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 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

October 19, 2017
Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – University of Rochester Goergen Institute Capital – Regional Council Capital Fund and Upstate Revitalization Initiative – 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
consider to be necessary or proper to effectuate the foregoing resolutions.

* * *
RESOLVED, that based on the material submitted to the Directors with respect to the University of Rochester Goergen Institute Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Roxbury (Southern Tier Region – Delaware County) – Masserson at Roxbury 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; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: Masserson Holdings, LLC (“Masserson” or the “Company”)

ESD* Investment: A grant of up to $3,200,000 to be used for a portion of the cost of infrastructure and site preparation, new construction and renovation and acquisition of furniture, fixtures and equipment

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

Project Location: 48 County Highway 41, Town of Roxbury, Delaware County

Proposed Project: Infrastructure development, adaptive reuse of an existing mansion, construction of eight luxury lodging units, a spa with swimming pool and manager’s residence, in order to establish a hospitality and tourism destination in the Southern Tier Region

Project Type: Hospitality and tourism investment involving job creation

Regional Council: The project is consistent with the Southern Tier Regional Economic Development Council’s Plan and complements the region’s comprehensive blueprint created under the Upstate Revitalization Initiative to invest in and promote tourism.
Employment: Initial employment at time of ESD Incentive Proposal: 0
Current employment level: 0
Minimum employment on January 1, 2020: 6*

*New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

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<td>FF&amp;E</td>
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Total Project Costs $7,315,017

Financing Sources

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<tr>
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<td>3,939,457</td>
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<tr>
<td>Company Equity*</td>
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<td>2.4%</td>
</tr>
</tbody>
</table>

Total Project Financing $7,315,017 100%

*As per the Incentive Proposal, the equity contribution has been lowered to 2.4% of the total project costs.

III. Project Description

A. Company

Industry: Hospitality/Tourism

Company History: Since its creation in 2003, Masserson Properties, Inc., a New York Sub S Corporation, has owned and operated a popular existing lodging facility, The Roxbury Motel (“Roxbury”), which opened its doors in 2004 with 11 units. Since that time, the Roxbury has expanded three times and tripled the number of rooms and services. In 2014, the owner of the Roxbury closed on the purchase of the Stratton Falls waterfall and its adjoining mansion, which are located approximately two miles from the existing Roxbury. Masserson Holdings, LLC (an entity formed by the owner in 2005) owns the land, buildings and will be the note-holder for the proposed project, which has been branded, The Roxbury at Stratton Falls.

Masserson Properties, Inc. will manage the new hotel, will include its operations in its financial statements and will lease the buildings from
Masseron Holdings, LLC.

Ownership: Gregory Henderson is the President and sole stockholder of Masserson Properties, Inc. and Masserson Properties, Inc. is the single member of Masserson Holdings, LLC.

Size: Masserson Properties, Inc. owns and operates the existing 33-unit luxury lodging facility, The Roxbury Motel, and currently employs eight full-time equivalent positions.

Market: The existing Roxbury, which is the first facility owned and operated by the Company, is the first and only luxury boutique lodging facility of its kind in Southern Tier and Catskill Regions and is considered a tourism destination for domestic and international travelers. The Roxbury at Stratton will be the second facility of its kind in the region.

Due to the unique design of its theme rooms and the subsequent attention the design has garnered in the national and international media, The Roxbury currently attracts New York State, national and international visitors. The inclusion of The Roxbury in many “top ten” and “best of” lists in publications like The Lonely Planet Guidebook which named it one of the 5 “don’t miss” items for travelers to see in all of New York State and Fodor’s which named it one of the “10 best offbeat hotels in the United States,” has caused the hotel to become a destination in and of itself.

For the domestic market, this phenomenon has created a market for local in-state New Yorkers to remain inside the state for “staycation” traveling and has given a reason for out-of-state travelers to come further upstate instead of just visiting New York City. Because The Roxbury at Stratton Falls will take the level of interior and exterior design and architecture to a whole new level, in addition to its setting next to a 50 foot waterfall, when completed the new facility will become even more of a destination in and of itself than the existing facility.

The Roxbury averages 400-500 overseas tourists per year coming to spend a minimum of two nights (usually as a stopover point between NYC and Niagara Falls or the Adirondacks). The Roxbury at Stratton Falls will almost double the amount of the current occupancy rates, increasing the spending power brought from its international guests.

ESD Involvement: As one of the most promising industries in Delaware County and the Southern Tier, there is a high demand for new and unique lodging facilities that provide hospitality services to tourists. Masserson Holdings, LLC applied for funding through Round 5 of the Consolidated Funding
Application in order to offset the high cost of the renovation of a mansion as well as the high cost of development and additional regulations associated with development on New York City Department of Environmental Protection designated “Watershed Recreation Area” which extends across the majority of Delaware County from Roxbury to Deposit. As a result, the Company was awarded a total of $3,200,000 for infrastructure and site work, construction and renovation, furniture, fixtures and equipment, and soft costs through the Upstate Revitalization Initiative.

**Competition:** N/A

**Past ESD Support:** The Company has not received funding from ESD in the past 5 years. In 2010, Masserson Properties, Inc. received $350,000 for expansion of the Roxbury.

**B. The Project**

**Completion:** August 2018

**Activity:** Construction of a new lodging facility located on a 7.1 acre parcel in Stratton Falls, including adaptive reuse of a 5,700-square-foot existing mansion into seven guestrooms with ensuite bathrooms; replication of an existing garage and shed into a live-in manager’s quarters; construction of five new buildings that contain eight 800-900-square-foot units each with two bedrooms, two bathrooms, living room, and back porches, balconies, and observation decks; construction of a 2,700-square-foot spa facility with swimming pool, hot tub, sauna, common area, and two treatment rooms; construction of infrastructure including parking lots, driveways, pathways, a trail system that takes guests safely into a gorge area with a 50-foot waterfall at the end of the gorge and over an existing curved-arch stone bridge, and two observation decks for the waterfall.

**Results:** Create 6 new jobs and establish a tourism destination.

**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 $444,076;
- Fiscal cost to NYS government is estimated at $3,200,000;
- Project cost to NYS government per direct job is $829,630;
- Project cost to NYS government per job (direct plus indirect) is estimated at $565,312;
- Ratio of project fiscal benefits to costs to NYS government is 0.14:1;
- Fiscal benefits to all governments (state and local) are estimated at $769,528;
- Fiscal cost to all governments is $3,200,000;
- All government cost per direct job is $829,630;
- All government cost per total job is $565,312;
- The fiscal benefit to cost ratio for all governments is 0.24:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $5,657,014, or $999,368 per job (direct and indirect);
- The economic benefit to cost ratio is 1.77:1;
- Project construction cost is $6,563,707, which is expected to generate 65 direct job years and 26 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.46 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: Gregory Henderson, President, Masserson Properties, Inc.
2258 County Hwy. 41
Roxbury, NY 12474
Phone: 607-326-7200
E-mail: owner@theroxburymotel.com

ESD Project No.: AA721

Project Team:
Origination: Joe Roman
Project Management: Sabina Mora
Contractor & Supplier Diversity: Edwina Telemaque
C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $3,200,000 capital grant ($32,000) 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 2.4% 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 or grants from a government source.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee’s payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee’s payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to $3,200,000 will be disbursed to the Grantee in three installments as follows:

   a) an Initial Disbursement of an amount equal to 31.25% of the grant ($1,000,000)
      upon documentation of infrastructure/site preparation and construction and
      renovation project costs totaling $1,300,000, assuming that all project approvals
      have been completed and funds are available;
   b) a Second Disbursement of an amount equal to 31.25% of the grant ($1,000,000)
      will be disbursed upon documentation of additional infrastructure/site preparation,
      construction and renovation, and furniture, fixtures, and equipment project costs
      totaling $3,300,000 cumulatively, assuming that all project approvals have been
      completed and funds are available and provided Grantee is otherwise in
      compliance with program requirements;
c) a Third Disbursement of an amount equal to 37.5% of the grant ($1,200,000) will be disbursed upon completion of the project, documentation of total expenditures of ($7,315,017), documentation of the employment of at least 6 Full-time Permanent Employees at the Project Location (Employment Increment of 6), a certificate of occupancy or other documentation verifying project completion as ESD may require and 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 December 10, 2015, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $3,200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

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

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

<table>
<thead>
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<th>Baseline Employment</th>
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<table>
<thead>
<tr>
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<tr>
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<tr>
<td>February 1, 2022</td>
<td>0+X</td>
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</table>

X = 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. X = 6, and Employment Goals shall equal [0+ X = 6] 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 X = 0.

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 (and 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 – Upstate Revitalization Initiative**

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. **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

The Town of Roxbury Planning Board, as lead agency, has completed an environmental review of the proposed project pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 15, 2015. 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 the requirements of Section 14.09.

VII. 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 35%, Minority Business Enterprise ("MBE") Participation goal of 20% and a Women Business Enterprise ("WBE") Participation goal of 15% related to the total value of ESD's funding.

VIII. ESD 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
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 Masserson at Roxbury 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 Masserson Holdings, LLC a grant for a total amount not to exceed Three Million Two Hundred Thousand Dollars ($3,200,000) 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.

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

* * *
Masserson at Roxbury Capital
Roxbury
Delaware County
Project Summary
Benefit-Cost Evaluation

Masserson Properties Incorporated – 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.

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<tr>
<th>Evaluation Statistics</th>
<th>Project Results NYS Gov’t.</th>
<th>NYS Gov’t. Benchmarks&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Project Results State &amp; Local Government</th>
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<td>Fiscal Costs&lt;sup&gt;3&lt;/sup&gt;</td>
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<sup>1</sup> Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

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

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

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

<sup>5</sup> Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners’ opportunity cost of employment.
FOR CONSIDERATION
October 19, 2017

TO: The Directors
FROM: Howard A. Zemsky
SUBJECT: Elmira (Southern Tier Region – Chemung County) – Downtown Elmira Mixed-Use Capital – Downtown Revitalization Initiative and Restore New York – Commercial Mixed-Use Development (Capital Grants)

REQUEST FOR: Termination of General Project Plan for the Elmira – Restore II Water Street Redevelopment Project Previously Adopted on September 18, 2008; Findings and Determinations Pursuant to Section 10(g) of the Act; Adoption of the Proposed General Project Plan for the Downtown Elmira Commercial Mixed-Use Development Capital Project; Authorization to Hold a Public Hearing, to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: City of Elmira (“City” or “Elmira”)

ESD* Investment: Two grants of up to $6,300,000 ($4,000,000 - Downtown Revitalization Initiative and $2,300,000 - Restore New York) to be used for a portion of the cost of demolition, site preparation and construction. The $2.3 million Restore New York grant was previously approved by the Directors on September 18, 2008.

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

Project Locations:* 104 West Water Street, Elmira, Chemung County
106-112 West Water Street, Elmira, Chemung County
114-116 West Water Street, Elmira, Chemung County
118-120 West Water Street, Elmira, Chemung County
122-128 West Water Street, Elmira, Chemung County
* All five parcels will be combined into one tax parcel at the completion of the project.

Proposed Project: Construction of a new mixed-use building in order to revitalize Elmira’s downtown

Project Type: Downtown Revitalization

Regional Council: The Southern Tier Regional Economic Development Council has been made aware of this item. The project is consistent with the Region’s comprehensive blueprint created under the Upstate Revitalization Initiative to invest in the Region’s urban centers, promote downtown living, foster strong, sustainable businesses in the urban centers, foster distinctive, attractive communities with a strong sense of place, and create walkable neighborhoods with a range of housing opportunities, choices and mixed-uses.

II. Project Cost and Financing Sources

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<td>Construction</td>
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<td>Soft Costs</td>
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<td><strong>Total Project Costs</strong></td>
<td><strong>$14,571,404</strong></td>
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<tr>
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<th>Amount</th>
<th>Percent</th>
<th>Rate/Term/Lien</th>
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</thead>
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<tr>
<td>ESD-Grant (#2 W052)</td>
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<tr>
<td>City of Elmira</td>
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<td></td>
</tr>
<tr>
<td>Southern Tier Redevelopment, LLC</td>
<td>329,660</td>
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<tr>
<td>Community Preservation Corporation</td>
<td>6,220,000</td>
<td>43%</td>
<td>5.75% / 30yrs / 1st lien on RE</td>
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<td>Park Grove Realty*</td>
<td>1,459,019</td>
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<tr>
<td>* Equity for the Restore NY Program</td>
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<td><strong>Total Project Financing</strong></td>
<td><strong>$14,571,404</strong></td>
<td><strong>100%</strong></td>
<td></td>
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</tbody>
</table>

III. Project Description

A. Grantee

Industry: Municipality
Grantee History: The City of Elmira, incorporated in 1864, is the county seat of Chemung County. Historically, the Chemung River has been a significant factor in the life cycle of Elmira and was the principal attraction for early settlers and one of the major reasons for the rise of the City. In 1972, the floodwaters of Hurricane Agnes caused damage resulting in infrastructure loss, retail flight, and economic hardship, with many of the downtown buildings being torn down after the flood. The City has also suffered from continued retail and business relocation to neighboring suburbs. According to the 2010 Census, of Elmira’s 29,200 residents, down from a peak of 50,000 in the 1950’s, more than 50% are low income and 32% live in poverty. Elmira's central business district includes census tracts 6, 7 and 10 which have a poverty rate according to the U.S Census Bureau of 47.5%. ESD has identified Elmira as a highly distressed community under the Restore NY program guidelines. Compounding the problem is the fact that 38% of the properties in the City are tax exempt, minimizing tax revenue to the City.

Ownership: Elmira is governed by a City Council, Mayor and an appointed City Manager.

Size: Elmira had 29,200 residents as of the 2010 census.

Market: N/A

ESD Involvement: In 2008, the City of Elmira was awarded $2,300,000 under Round 2 Restore New York Program to rehabilitate three properties (104, 106-112 and 114-116 West Water Street). In 2012, the City received an extension of its Grant Disbursement Agreement for the Round 2 Restore New York award. After several failed attempts at recruiting a private developer to rehabilitate the buildings, the City ultimately determined that the cost of renovating or rebuilding the structures was prohibitive.

In 2014, the properties were severely damaged, in very poor condition, and were designated a threat to public safety by the City of Elmira. As a result, the City, in consultation with the New York State Historic Preservation Office, completed emergency demolitions of all three original properties.

In 2015, Elmira submitted an application to the New York State Downtown Revitalization Initiative (“DRI”). The State announced the City of Elmira as the winner of the DRI competition in July 2016. The City’s DRI plan seeks to activate the downtown, attract private investment, and set the stage to attract future residents, employers and workforce. As a
winner of the DRI competition, nine priority projects were identified in
downtown Elmira through a process which included planning services
from a professional consulting firm. The firm analyzed each project,
including funding gaps and available resources, and recommended DRI
funding for each priority project. One of these priority projects was an
expansion of the project that had previously received the Round 2
Restore New York award.

ESD conditionally offered the City an additional grant award of $4 million
through the DRI program. Today's Directors action will: (1) terminate
the original General Project Plan for the Restore 2 Water Street
Redevelopment grant project previously adopted by the Directors on
September 18, 2008; (2) adopt this new proposed General Project Plan
which encompasses the original parcels under the previous Restore New
York and adds two adjacent parcels to the proposed Project area;
increases the project budget and updates the uses and sources for the
proposed new project; updates the scope of work to reflect the proposed
new construction; and changes the disbursement terms to provide for
periodic disbursement during the construction period. Today's action will
also request the approval of an additional $4 million in DRI grant funding
for a total of $6.3 million of grant funding that ESD is administering.

With the Restore 2 and the DRI award, the City of Elmira has recruited a
credible developer for the West Water Street site. The current proposal is
the City's first, new construction, mixed-use development in downtown
Elmira in 40 years, and includes the three original tax parcels, in addition
to two adjacent parcels which will all be combined into one parcel after
project completion. The Rochester-based developer, Park Grove Realty,
has the necessary financial support from a combination of state and local
incentives, lending institutions and company equity that were previously
unavailable for the completion of the project. Furthermore, the
developer has indicated that they have received a commitment from a
large anchor tenant to occupy the commercial space. Park Grove Realty
brings expertise developing multi-family residential, mixed-use and
commercial projects throughout the state. The principals of Park Grove
Realty have over 30 years of combined experience in real estate
development and led the Conifer Realty, LLC Development Department
from 2008 until 2015, managing a team of over 15 professionals and
building approximately 10,000 apartment units throughout the state
before leaving Conifer in order to establish their own real estate
development company.

The development of this mixed-use property is a prime opportunity for
positive economic transition within the downtown area. Research
undertaken by the City and its Business Improvement District, Elmira Downtown Development ("EDD"), determined that it was nearly impossible to attract private investment money for projects in downtown Elmira, particularly because it is still an unproven market as the proposal is the City’s first, new construction, mixed-use development in downtown Elmira in 40 years. However, through a market study conducted at the beginning of the DRI process, it was determined by Susan Payne, a strategic planning and economic development consultant, that downtown Elmira could support conservatively 320 rental housing units per year. Larisa Ortiz Associates completed a retail marketplace analysis for the DRI which calculated that downtown Elmira could add between 34,000 SF to 68,000 SF in retail space to meet unmet residential demand for goods and services. The project will be supported by the 9,569 workers within 1 mile of downtown Elmira and 18,107 workers within 3 miles as well as the proximity of the project to the Clemens Center Performing Arts Center which saw 80,000 visitors in 2016. In addition, the City and project developer have identified and are in negotiations with an anchor commercial tenant to occupy the majority of the ground floor commercial space and which will bring a minimum of 30 jobs downtown.

Competition: N/A

Past ESD Support: The Grantee has not received ESD funding in the past five years.

B. The Project

Completion: March 2019

Activity: The project consists of demolition of three vacant buildings and construction of a mixed-use, residential and commercial building in the City of Elmira’s urban core. The new building will occupy all three parcels (where the three original buildings were located) as well as two additional adjacent vacant parcels. All five parcels will be combined into one tax parcel at the completion of the project. The new property will be a 65,000-square-foot building to include 50 housing units, 16,000-square-feet of commercial/retail space, as well as parking and outdoor landscaping and amenities. Construction is slated to begin in October/November 2017 and completion expected in March of 2019. The work will be overseen by Park Grove Realty, LLC, and upon completion, Park Grove will own and operate the property. The project is a part of the City’s economic development plan.

Results: The Project is expected to generate 30 construction jobs and up to 50
full-time equivalent permanent jobs will result from the commercial space as well as building management and maintenance. The Project will be a major development for the Downtown Revitalization target area, revitalizing downtown Elmira, bringing new stores and residents to a blighted area, increasing retail sales in local establishments by residents as well as bringing a larger and more diverse residential population into the downtown. It will be the first investment of its kind in over 40 years, and as such it will be a sign of public and private sector confidence and will catalyze future private investment.

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: Jenn Miller, City of Elmira Director of Community Development
317 East Church Street
Elmira, NY 14901
Phone: 607-737-5692
E-mail: jennmiller@cityofelmira.net

ESD Project Nos.: AC302, W052

Project Team: Origination Joe Roman
Project Management Sabina Mora
Contractor & Supplier Diversity Edwina Telemaque
Finance Jonevan Hornsby
Design & Construction Marty Piecuch
Environmental Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee 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 Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD’s announcement of the project. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested.
by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to $6,300,000 will be disbursed to the Grantee for eligible expenses during the course of design and/or construction no more frequently than quarterly, in compliance with the Design & Construction Requirements and in proportion to ESD’s funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures associated with the Downtown Revitalization Initiative Award (AC302) incurred prior to Governor Cuomo’s announcement of the City of Elmira’s Downtown Revitalization Initiative award July 7, 2016 are not eligible project costs and cannot be reimbursed by grant funds. Expenditures associated with the Restore New York program (W052) must be incurred on or after January 15, 2008, to be considered reimbursable project costs. Previously expended funds for W052 may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2020.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $6,300,000, 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. If the project sponsor indicates that the project will not go forward at any time, the funding may be recaptured and may be applied to another project in the same DRI area at the discretion of ESD. DRI funds are available only for projects within the DRI target area. If the community lacks capacity to manage the project, the ESD may, where appropriate provide additional oversight of the implementation of the project or recapture the funds and redirect them for a purpose consistent with the law.

7. 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.

8. All construction projects must display a Downtown Revitalization Initiative sign. A
template will be provided.

IV. Statutory Basis – Downtown Revitalization Initiative

The funding was authorized and/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.

V. Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings
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 of three vacant, abandoned commercial buildings, which
were deemed by the City of Elmira to arrest sound growth and development in the area and the
construction of one new building. The new building will occupy all three parcels (where the
three original buildings were located) as well as two additional adjacent vacant parcels. All five
parcels will be combined into one tax parcel at the completion of the project.

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 and reconstruction of a site that the City of Elmira has
included in its overall master development plan and downtown economic development plan.
The City of Elmira’s 2016 downtown economic development plan includes this specific project
as a priority project with the goal of revitalizing the downtown by applying for funding to
provide high quality residential and commercial spaces in the downtown neighborhood.

The plan or undertaking affords maximum opportunity for participation by private enterprise,
consistent with the sound needs of the municipality as a whole.
The project work will be overseen by Park Grove Realty, LLC, a private Rochester-based developer and upon completion Park Grove Realty will own and operate the property. In addition to including 50 new housing units, Park Grove Realty has indicated that they have received a commitment from a large anchor tenant to occupy the commercial space. The project is consistent with the City of Elmira’s economic development plan to invest in its urban core, promote downtown living, foster strong, sustainable downtown businesses and create neighborhoods with a range of housing opportunities, choices and mixed-uses.

The requirements of Section 10(g) of the Act are satisfied. There are no families or individuals displaced from the Project area.

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. Environmental Review

The Chemung County Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on September 27, 2017. 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 site’s location near neighboring properties listed in or eligible for listing in the National Register of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law (“Section 14.09”). The project is in compliance with Section 14.09.

VIII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policy will apply to the Project. The Recipient shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 30% ($1,890,000) 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. MBE participation requirements may not be substituted for WBE participation, or the reverse. A further explanation of the MWBE requirements is attached hereto.
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
WHEREAS, a General Project Plan for the Elmira – Restore II Water Street Redevelopment Project was adopted by the Directors of the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”) on September 18, 2008; and

WHEREAS, no action has yet been taken or funding disbursed pursuant to that action; and

WHEREAS, the previously-approved project has been enlarged and redesigned and has requested and been conditionally awarded additional funding therefor; and

WHEREAS, a new General Project Plan for the redesigned project and additional funding has been proposed for adoption;

NOW THEREFORE BE IT RESOLVED, that the General Project Plan for the Elmira – Restore II Water Street Redevelopment Project, previously adopted on September 18, 2008, be and it hereby is terminated; and be it further

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 Downtown Elmira Mixed-Use Capital – Downtown Revitalization Initiative and Restore New York – (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, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to City of Elmira a grant for a total amount not to exceed Four Million Dollars ($4,000,000) from the Downtown Revitalization Initiative and a grant for a total amount not to exceed Two Million Three Hundred Thousand ($2,300,000) from Restore New York 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.

* * *

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

* * *
Downtown Elmira Mixed-Use
Elmira
Chemung County
TO: The Directors
FROM: Howard A. Zemsky
SUBJECT: Regional Council Award – Oswego (Central New York Region – Oswego County) – Super Dirt Week at Oswego Speedway Capital – Regional Council Capital Fund (Capital Grant)
REQUEST FOR: Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: World Racing Group, Inc. ("WRG" or the "Group")

ESD* Investment: A grant of up to $511,000 to be used for the cost of facility conversion and expansion to support Super DIRT Week

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

Project Location: 300 E. Albany Street, Oswego, Oswego County

Proposed Project: Conversion of the Oswego Speedway’s asphalt track into a dirt track, build temporary race team pit, improvements to the spectator camping area and parking site, improvements to the grandstand, and facility infrastructure in order to provide the capacity required for the Super Dirt Week event

Project Type: Facility expansion

Regional Council: The project is consistent with the Central New York Regional Economic Development Council’s Plan to promote entrepreneurship and innovation in existing firms enhancing, and marketing the region’s arts and tourism assets to maximize the region’s economic growth through visitor and resident spending and job creation.
II. Project Cost and Financing Sources

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<th>Amount</th>
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<td>Facility Conversion</td>
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<tr>
<td>Track Conversion</td>
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Total Project Costs $511,000

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<th>Amount</th>
<th>Percent</th>
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<tbody>
<tr>
<td>ESD-Grant</td>
<td>$511,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Total Project Financing $511,000 100%

III. Project Description

A. Company

Industry: Motor sports entertainment

Company History: Headquartered in Concord, North Carolina, World Racing Group, Inc., formerly DIRT Motor Sports, Inc., is a leading marketer and promoter of motor sports entertainment in the United States and Canada. World Racing Group encompasses the Craftsman World of Outlaws Sprint Car Series, Craftsman World of Outlaws Late Model Series, Super DIRTcar Series, and a vast DIRTcar Racing sanctioning program of more than 5,000 races annually. Each year, DIRTcar sanctioned races are held at 125 DIRTcar affiliated tracks situated throughout the U.S. and Canada.

Ownership: WRG is a privately owned business corporation.

Size: The Group owns the Volusia Speedway Park in Barberville, Florida, and leases various racing facilities for major motorsports events in Charlotte, North Carolina; Dallas/Ft. Worth, Texas; and Las Vegas, Nevada.

Market: World Racing Group offers dirt track racing and other family entertainment events to enthusiasts of all age groups from the U.S. and Canada.

ESD Involvement: In August 2015, the Group entered into an agreement with the State of New York (the “State”) to provide a replacement facility for the Fairgrounds which was demolition in January 2016. The agreement provided for the completion of a new facility or assistance from the State to prepare an alternative site to retain Super Dirt Week in New York. In August 2017, ESD awarded World Racing Group a $511,000 Regional Master Page # 102 of 169 - NYS Urban Development Corporation 10/19/2017
Council Capital Fund grant to complete the conversion and expansion of the Oswego Speedway. Without ESD financial assistance to prepare the Oswego Speedway to host the event, the Oswego Speedway would not represent a viable alternative forcing the event’s relocation out of the State.

Competition: Major motor sport companies in dirt track racing include All Star Circuit of Champions Spring Series, Lucas Oil Late Model Series and Race of Champions.

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

<table>
<thead>
<tr>
<th>Program</th>
<th>Project #</th>
<th>Amount</th>
<th>Date Start (ESD Directors’ Approval date)</th>
<th>Date End (Project Completion: Contract Expiration)</th>
<th>Purpose</th>
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<td>Empire State Economic Development Fund</td>
<td>AB084</td>
<td>$1,177,000</td>
<td>August 8, 2016</td>
<td>December 31, 2016</td>
<td>Capital – Facility Conversion to support the Super Dirt Week @ Oswego Speedway</td>
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</tbody>
</table>

B. The Project

Completion: October 2017

Activity: The conversion of the Oswego Speedway facilities to host the Super Dirt Week event will include:

- Dirt track conversion which will require the acquisition and delivery of the dirt/clay material, acquisition and rental of heavy road equipment including bull dozers, road graders, loaders, sweepers, farm tractors and tiller, water trucks, and packer vehicles. The same equipment will be needed to convert the dirt track back to asphalt after the event.
- Temporary race team pit locations will be created in the infield for the divisions of the track and the grass viewing area.
- Spectator camping and parking will be improved including road base improvements within the campgrounds, provisions for water and mobile pump out services, restroom and shower facilities both temporary and permanent will be added, fencing, enhancement of handicapped accessible parking, off-site parking, and directional signage and pedestrian control fencing.
• Grandstand to provide the required capacity for the event including replacement of several remaining seat and walk surfaces, and other components of the spectator grandstand.
• Facility infrastructure to secure perimeter including temporary and permanent fencing. Also, ticketing centers with power and telecommunications connectivity with in the property.

Results: As a result of the project, World Racing Group will be able to host the Super DIRT Week event, a major touristic event in the Central New York Region.

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: Brian Carter, CEO and Director
7575-D Westwinds Boulevard
Concord, North Carolina 28027
Phone: (704) 795-7223

ESD Project No.: AC211

Project Team: Origination James Fayle
Project Management Javier Roman-Morales
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 $511,000 capital grant ($5,110) 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. Up to $511,000 will be disbursed to the Grantee in two installments as follows: a) an Initial Disbursement of an amount equal to 60% of the grant ($306,600) upon documentation of project costs totaling $306,000, assuming that all project approvals have been completed and funds are available;

b) a Second Disbursement of an amount equal to 40% of the grant ($204,400) will be
disbursed upon documentation verifying project costs totaling $511,000 (Increment of $204,400), and as evidenced by a certificate of occupancy and/or other documentation verifying project completion as ESD may require, 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 July 1, 2017, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $511,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized and/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.

V. Environmental Review

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the proposed project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of August 18, 2016. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this authorization.

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 NYCCR §142.8) to achieve an overall MWBE Participation Goal of 30% 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
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 Super Dirt Week at Oswego Speedway 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 World Racing Group, Inc. a grant for a total amount not to exceed Five Hundred Eleven Thousand Dollars ($511,000) 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.

* * *

* * *
Super Dirt Week at Oswego
Speedway Capital
Oswego
Oswego County
FOR CONSIDERATION
October 19, 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 a Grant and to Take Related Actions

Attached is the summary of the projects sponsored by the New York State Executive and Legislative branches:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Appropriation Clarkson Trudeau (Executive)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trudeau Institute 3.0 Working Capital</td>
<td>AC321</td>
<td>Trudeau Institute</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>TOTAL NON-DISCRETIONARY – 1 PROJECTS</td>
<td></td>
<td></td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

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
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–Clarkson Trudeau 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 grant to the party and for the amount listed below from Special Appropriation – Clarkson Trudeau 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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) 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, 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;
### Special Appropriation Clarkson Trudeau - Executive – Project Summary Table

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Appropriation Clarkson Trudeau (Executive)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Trudeau Institute 3.0 Working Capital</td>
<td>AC321</td>
<td>Trudeau Institute</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

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.

* * *
Grantee: Trudeau Institute ("Trudeau") or the ("Institute")

ESD Investment: A grant of up to $5,000,000 to be used for a portion of the costs of operations and staffing at Trudeau Institute’s biomedical research laboratories to develop a network of alliances with major medical research universities

Project Location: 154 Algonquin Avenue, Saranac Lake, Franklin County

Proposed Project: Trudeau Institute will develop a five-year plan to expand specialized R&D capabilities to medical research university partners with significant clinical strength to study infectious diseases.

Project Type: Working Capital

Regional Council: The North Country Regional Economic Development Council has been made aware of this item.

Background:

Industry - Biomedical research

Grantee History - Trudeau Institute, formed in 1884 by Dr. Edward L. Trudeau and located in Saranac Lake, New York, is a world-renowned center for immunological research with a mission to make breakthrough discoveries regarding infection and immunity, including immune responses to major infectious disease and the role of the immune system in cancer, autoimmunity and aging. The Institute is among the five most influential research institutes in the U.S.

Ownership - Trudeau is a not-for-profit organization.

Size - Trudeau Institute is located on a 42-acre campus in Saranac Lake, NY. Facilities include approximately 90,000-square-feet of research and support space, and 18 on and off campus buildings, including housing for faculty and postdoctoral fellows.

Market - Trudeau conducts biomedical research to develop new treatments and treatment-prevention strategies against disease. The Institute conducts contract research projects for the National Institute of Health ("NIH"). Trudeau primarily competes with other biomedical research organizations for biomedical research projects from the federal government under programs of the NIH. Trudeau also competes for qualified high-level scientists to conduct biomedical research projects at the Institute.
ESD Involvement – A $5,000,000 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:

<table>
<thead>
<tr>
<th>Program</th>
<th>Project #</th>
<th>Amount</th>
<th>Date Start (ESD Directors’ Approval date)</th>
<th>Date End (Project Completion: Contract Expiration)</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empire State Economic Development Fund</td>
<td>Y731</td>
<td>$5,000,000</td>
<td>December 2013</td>
<td>August 2015</td>
<td>Working Capital – operations and staffing of a biomedical research laboratory</td>
</tr>
<tr>
<td>Economic Development Purposes Fund</td>
<td>Z413</td>
<td>$3,600,000</td>
<td>August 2014</td>
<td>December 2014</td>
<td>Working Capital – operations and staffing of a biomedical research laboratory</td>
</tr>
<tr>
<td>Sp Appr Clarkson Trudeau</td>
<td>Z568</td>
<td>$6,200,000</td>
<td>December 2014</td>
<td>December 2015</td>
<td>Working Capital – operations and staffing of a biomedical research laboratory</td>
</tr>
<tr>
<td>Sp Appr Clarkson Trudeau</td>
<td>AA328</td>
<td>$4,000,000</td>
<td>January 2016</td>
<td>December 2016</td>
<td>Working Capital – operations and staffing of a biomedical research laboratory</td>
</tr>
<tr>
<td>Sp Appr Clarkson Trudeau</td>
<td>AB080</td>
<td>$7,250,000</td>
<td>July 21, 2016</td>
<td>April 2018</td>
<td>Working Capital – operations and staffing of a biomedical research laboratory</td>
</tr>
</tbody>
</table>
The Project:

Completion – December 2018

Activity - Under new leadership, Trudeau Institute commenced the transformation to a new, more medically-oriented business model called Trudeau 3.0. The foundation of this new business model is the Trudeau Research Network ("TRN") which puts the Institute’s distinctive and signature professional capabilities to work by creating new business combinations that contribute to large biomedical R&D enterprises across New York State and beyond. Current TRN members include The State University of New York Upstate Medical University ("Upstate") and the Albert Einstein College of Medicine.

This initiative is part of a five year strategy for the formation and execution of multiple partnerships in infectious disease translation R&D with major parties, including medical research universities, inventors and entrepreneurs, biopharma companies and the federal government, especially Department of Defense and Health and Human Services. The partnership is designed to provide financial and operational stability to Trudeau by building a diversified revenue model of individual biomedical revenue stream. Trudeau business model encompasses: Trudeau Research Network, Trudeau Institute Contract Research Organization, Clarkson Alliance, Professional and graduate Education, and Binational Collaboration with Canada.

Results – As a result of the project, Trudeau Institute has begun building the foundation toward the transformation to Trudeau 3.0. With the re-design and transformation to Trudeau 3.0, the Institute has hired a vaccine R&D expert from Pfizer Canada, the first TRN-TB Translational Research Center principal investigator from Albert Einstein College of Medicine, two additional faculty-level research scientists and three research technicians. The plan is to hire another research scientist and two more research technicians by the end of 2017. In addition, 40 new jobs for skilled scientific and technical jobs will be in place by 2021. The strategic operating model transformation of revenue diversification will enable the facility and the jobs to stay in the current location furthering economic growth in the North Country Region.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Fringe Benefits</td>
<td>$2,550,000</td>
<td>ESD Grant</td>
<td>$5,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>2,450,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$5,000,000</td>
<td>Total Project Financing</td>
<td>$5,000,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
Grantee Contact  
William Chapin, Controller  
154 Algonquin Avenue  
Saranac Lake, NY 12983  
Phone: (518) 891-3080  
Email: wchapin@trudeauinstitute.org

Project Team  
Project Management  
Javier Roman-Morales  
Contractor & Supplier Diversity  
Danah Alexander  
Environmental  
Soo Kang

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

2. Up to $5,000,000 will be disbursed to Grantee, upon documentation of eligible costs of continuing programs, operations, and staffing at Trudeau Institute’s biomedical research laboratories, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2017, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $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.

Non-Discrimination and Contractor & Supplier Diversity:
ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. Trudeau, a non-profit organization, shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 20% of the total value of ESD’s funding for eligible expenses, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

Statutory Basis – Special Appropriation Clarkson Trudeau:
The project 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.
**Disclosure and Accountability Certifications:**
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.
FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard Zemsky

SUBJECT: Statewide – Innovate NY Fund Program

REQUEST FOR: Authorization to Increase Amount to Four Investment Funds Previously Approved; Authorization to Disburse Funds; and Authorization to Take Related Actions

I. Project Summary

Awardees: Investment entities as set forth on attached Schedule A

Amounts: See attached Schedule A

Project Location: Statewide

Anticipated Funding Source: $1,250,000 in funding from Innovate NY Fund (the “Fund” or “Program”) to four (4) previously approved investment entities

ESD Project No.: Y031

Project Team:
- Origination: Sharon Rutter
- Project Management: Sharon Rutter
- Legal: Craig Alfred
- Contractor & Supplier Diversity: Jolyon Handler
- Environmental: Soo Kang

II. Background

The Innovate NY Fund (“the Fund”) is a $45.9M seed-stage equity investment fund launched in 2012 and designed to support innovation, job creation, and high-growth entrepreneurship throughout the State of New York. The Fund was one of the three new state programs funded through a $55.4M grant from U.S. Treasury’s State Small Business Credit Initiative (“SSBCI”). The Fund’s objective is to invest in seed-stage businesses through regional and/or industry-
focused investment entities selected by and contracted with the Corporation. Goldman Sachs is a Limited Partner in the fund having contributed $10.3 million to the Fund.

III. Project Status

In late 2012, following a competitive review and selection process, the Directors approved NYS-based investment entities to be awarded Program funds. All contracted investment funds are required to secure at least a 2:1 match from private sources on its aggregate portfolio at the time of investment. Innovate NY funding may not exceed $500,000 per investment or $750,000 in the case of any individual biotechnology-related company.

Since its inception, the Fund has made investments in 81 New York seed-stage companies, representing close to $37 million in investment capital. The Innovate NY Fund’s capital was matched with over $230 million in private sector funding, yielding more than $267 million in new capital for these start-up and seed-stage companies. This investment led to the retention of 662 jobs and the creation of additional 1,173 new employment opportunities.

As is standard for venture capital investing, initial company investments are often followed by additional investments at a later date (“follow-on investment”) once the company has met designated milestones and has a determined a need for additional capital. The Innovate NY Fund was originally designed to allow follow-on investments be made and all of the Fund managing entities have utilized this feature. A need for additional follow-on investment capital has recently been identified for some of the Funds’ portfolio companies.

In April 2017, the ESD Board of Directors approved $2,414,822 to be reallocated among several INNY funds for follow-on investments in the current Innovate NY fund portfolio companies. The source of this additional capital was funds transferred by the U.S. Department of Treasury from another ESD SSBCI program to the Innovate NY Fund in 2015 along with some additional capital awarded to NYS by U.S. Treasury a year later. Currently, there is an additional $1,250,000 of un-invested capital remaining to be reallocated to the Innovate NY funds.

Statutory Basis

The Program is authorized pursuant to Section 16-U of the New York State Urban Development Corporation Act.

IV. Environmental Review

ESD staff has determined that the requested authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.
V. Non-Discrimination and Contractor & Supplier Diversity

MINORITY AND WOMEN-OWNED BUSINESSES

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises (MWBEs) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed the project and has determined that there exists no potential for MWBE participation. As such, participation goals will not be established or required.

SERVICE-DISABLED VETERAN-OWNED BUSINESSES

Pursuant to New York State Executive Law Article 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified service-disabled veteran-owned businesses (SDVOBs) in the performance of ESD contracts. OCSD has determined that it is not practical or feasible to assign SDVOB contract goals to expenditures made under this program. As such, participating goals will not be established or required.

VI. Additional Submissions to Directors

Resolution
Schedule A - Summary of the Innovate NY fund investment entities to be awarded additional funds for follow-on investment in Innovate NY portfolio companies.
October 19, 2017

Statewide - Innovate NY Fund program: Authorization Amendment Existing Contracts with Four of Investment Funds and to Increase the Awards of Already Approved Investment Funds; Authorization to Disburse Funds; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials), relating to the Innovate NY Fund Program (the "Fund"), the Corporation is authorized to amend investor agreements and related documentation with the investment entities named in the Materials and provide them funding in accordance with the Materials, not to exceed in aggregate $1,250,000 funded by Innovate NY program funds; and be it further

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

RESOLVED, that the provision by the Corporation financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; and be it further

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

***
Schedule A: Innovate NY Fund  
Summary of Investment Funds to Receive Additional Funds  
Board of Directors Meeting  
October 19, 2017

Each of the seven (7) Innovate NY Fund managing entities was given the opportunity to request additional investment capital to invest as follow-on capital in their most promising Innovate NY portfolio companies. Upon review of the funds’ proposals and considering the amount awarded in April 2017, ESD selected the following entities to receive additional funds to invest over the next 12 months:

**CVF IV Innovate NY Fund, LP (Cayuga Ventures) – an additional award of up to $410,923**

Cayuga Ventures, a venture capital investment fund based in Ithaca, NY has been investing in upstate companies since 1996. Cayuga Ventures works hard to create and establish a thriving community of leading edge, high-tech startup companies primarily in the Southern Tier, Finger Lakes, and Central NY regions.

The CVF IV Innovate NY Fund has invested over $6.4M along with $39.8M of private matching investment capital in 14 companies located in the Southern Tier, Finger Lakes, and Central NY regions.

ESD proposes to award the CVF Innovate NY Fund up to an additional $410,923 to invest follow-on capital in its leading Innovate NY fund portfolio companies.

**ff Rose Innovate NY Fund, LP – an additional award of up to $410,923**

ff Venture Capital (“ffVC”) is one of the best performing seed- and early-stage venture capital firms in the U.S. With investments in cybersecurity to artificial intelligence to enterprise software and crowdfunding, ffVC identifies and invests in technology and technology-enabled companies at their inception and the ffVC team actively participates with founders to develop products, target markets and accelerate growth.

The ff Rose Innovate NY Fund has invested close to $5M along with over $70M of private matching investment capital in 11 companies located in the New York City region. ESD proposes to award the ff Rose Innovate NY Fund of up to an additional $410,923 to invest follow-on capital in its most successful Innovate NY fund portfolio companies.

**PFNYC Innovate NY Fund, LP – an additional award of up to $410,923**

The Partnership Fund for New York City (“PFNYC”) is the $150 million investment arm of the Partnership for New York City, New York’s leading business organization. PFNYC’s mission is to engage in both the for-profit and non-profit sectors to create jobs, spur new businesses, and expand opportunities for New Yorkers to participate in the City’s economy.
The PFNYC Innovate NY Fund has invested $3.6M along with over $22M of private matching investment capital in five (5) life sciences companies located in the New York City region.

ESD proposes to award the PFNYC Innovate NY Fund of up to an additional $410,923 to invest follow-on capital in its most successful Innovate NY fund portfolio companies.

**Excell Innovate NY Fund, LP – an additional award of up to $17,230**

Excell Partners (“Excell”), a not-for-profit and affiliate of University of Rochester, was originally founded in 2005 by ESD along with matching funds from the University of Rochester and Excell’s Board of Directors. Excell has a strong track record of successful investing in Upstate pre-seed and seed-stage companies operating in the life sciences, energy, and software, and consumer products space.

The Excell Innovate NY Fund has invested $4.5M along with over $25.5M of private matching investment capital in 18 companies located statewide but primarily in the Finger Lakes region.

ESD proposes to award the Excell Innovate NY Fund of up to an additional $17,230 to invest follow-on capital in its top Innovate NY fund portfolio companies. With the previous reallocation in April, this will bring the amount of additional capital for Excell Partners to be in line with the amount awarded to the other Innovate NY funds.
FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: New York State Innovation Venture Capital Fund (“NYSIVCF”)

REQUEST FOR: Authorization of an Investment of NYSIVCF Funds in Kyras Therapeutics Inc.

I. Project Summary

Awardees: Kyras Therapeutics Inc. (the “Company”)

Amount: Up to $1,000,000 in convertible debt

Project Location: New York, NY

Anticipated Funding Source: The liquid assets held by ESD for NYSIVCF

ESD Project No.: TBD

Project Team: Origination Brian Keil
Project Management Brian Keil, Sonia Gulati
Legal Craig Alfred
Contractor & Supplier Diversity N/A
Environmental Soo Kang

II. Background

Pursuant to its authorizing legislation, the NYSIVCF may invest up to $100 million in eligible seed and early stage small businesses located in, or that in writing agree to be located in, New York State that (i) have the potential to generate additional economic activity in the State and (ii) are working in emerging technology fields or are achieving, or have the potential to achieve, technological advances, innovation, transformation or development. The target portfolio companies demonstrate a potential for substantial growth and job development, and have the potential to generate additional economic activity in the State.
The NYSIVCF also provides funding for the Technology Commercialization fund of funds supporting pre-seed investment opportunities throughout the State. The NYSIVCF is part of a larger equity investment strategy that includes the Innovate NY Fund, a $45 million fund of funds that invests in seed stage equity opportunities.

Past State Support for Kyras Therapeutics

To date, Kyras Therapeutics has not received any financial support from New York State.

Project Status

Kyras Therapeutics is a biotechnology company located in New York City. The Company is developing novel small molecules that directly target mutant variants of the KRAS protein. KRAS is an oncogene that is mutated in more than 30% of all cancers. Kyras Therapeutics was co-founded by Dr. Brent Stockwell, Professor in the Departments of Biological Sciences and Chemistry at Columbia University and Versant Ventures. Versant Ventures is a leading healthcare investment firm with $2.5B under management. Versant is committed to supporting the New York biotech ecosystem. In 2015, Versant opened an office in New York City, which is dedicated to commercializing research coming out of NYS universities.

KRAS mutations are present in ~30% of people with cancer and in ~50% of people who develop multiple cancers. Patients with KRAS mutations tend to have highly aggressive and recurrent breast, ovarian, head and neck, lung or pancreatic cancers. The widespread prevalence of KRAS mutations in cancer coupled with the plethora of clinical data that supports it role in the development of cancer has made KRAS an attractive drug target. Based on computational studies, the Company has identified a potential drug candidate that significantly reduces mutant KRAS activity in cancer cells.

In order to reach its next value inflection point, Kyras Therapeutics is raising up to $2.0M in convertible debt, which will convert into shares of the Company’s next equity financing at a price per share equal to the lower of (i) a 20% per share discount or (ii) a $6,000,000 valuation cap. The NYSIVCF will invest up to [$1,000,000] into this investment round with the balance being provided by private sector investors.

As part of the due diligence process, NYSIVCF staff and an external Investment Review Committee (IRC) evaluated the Company’s business and clinical development plan as well as the terms of the investment. As a result of that analysis, NYSIVCF and the IRC both agree that the market opportunity and growth potential offered by this New York State company warrants an investment by the NYSIVCF and recommend its approval.

III. Statutory Basis

In order to attract private sector investment in new research, translate research into marketable products, strengthen university-industry connections, and prepare New York
businesses to compete for private-sector venture investment, Part JJ of Chapter 59 of the Laws of 2013 authorized ESD to establish and administer NYSIVCF in order to provide critical seed-stage and early-stage funding to incentivize new business formation and growth in the State of New York and facilitate the transition from ideas and research to marketable products.

IV. Environmental Review

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

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 (“MWBEs”) in the performance of ESD contracts. The ESD Office of Contractor and Supplier Diversity (“OCSD”) has determined that it is not practical or feasible to assign MWBE contract goals to expenditures made under this program. As such, participation goals will not be established or required.

VI. Service-Disabled Veteran-Owned Businesses

Pursuant to New York State Executive Law Article 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified service-disabled veteran-owned businesses (“SDVOBs”) in the performance of ESD contracts. OCSD has determined that it is not practical or feasible to assign SDVOB contract goals to expenditures made under this program. As such, participating goals will not be established or required.

Additional Submissions to Directors

Resolutions
Schedule A – Summary of the Investment Terms
RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the New York State Innovation Venture Capital Fund, the Corporation is authorized to make an investment, in an amount not to exceed $1,000,000, in Kyras Therapeutics Inc. (the “Company”) and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the investment, and each of them hereby is, authorized to take such actions, including modifying the terms of the investment and entering into additional agreements with the Company and others, as he or she may deem necessary or appropriate in the administration of the Corporation’s investments in the Company; and be it further

RESOLVED, that the provision by the Corporation of financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; and be it further

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

* * *
Schedule A  
New York State Innovation Venture Capital Fund:  
Kyras Therapeutics Inc. (the “Company”)  
Summary of Convertible Debt Financing Terms  
Board of Directors Meeting  
September 21, 2017

<table>
<thead>
<tr>
<th><strong>Type of Security:</strong></th>
<th>Simple Agreement for Future Equity (SAFE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Amount:</strong></td>
<td>Up to $2,000,000. The New York State Innovation Venture Capital Fund (“NYSIVC Fund”) will invest up to $1,000,000.</td>
</tr>
</tbody>
</table>
| **Conversion and Repayment:** | a) Conversion upon an equity financing: In the event the Company completes an equity financing before the expiration or termination of the SAFE issued to the NYSIVC Fund, the SAFE will convert into a number of shares of preferred stock equal to the lower of (i) a 20% per share discount or (ii) the quotient resulting from dividing $6,000,000 by the number of outstanding shares of the Company’s common stock immediately prior to the equity financing.  
b) Conversion or repayment upon a liquidity event: In the event of (i) a change of control of the Company or (ii) an initial public offering by the Company prior to the expiration or termination of the SAFE, the NYSIVC Fund may choose to be repaid $1,000,000 in cash or to receive shares of common stock in the Company equivalent to a $1,000,000 investment in the Company at a $6,000,000 valuation.  
c) Repayment upon a dissolution event: In the event of a dissolution of the Company prior to the expiration or termination of the SAFE, the Company will repay the NYSIVC Fund $1,000,000, prior to any repayment or distribution to any of the Company’s common shareholders. |
| **Use of Proceeds:** | The funds will be used finance the growth strategy of the Company. |

Institutional Co-Investors:  
1. **Versant Ventures**: Versant Ventures is a leading healthcare investment firm with ~$2.5 billion under management. Since the firm’s founding in 1999, nearly 65 Versant companies have achieved successful acquisitions or IPOs.
FOR CONSIDERATION
October 19, 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 Enter into a Contract Legal Services and Authorization to Take Related Actions

CONTRACT NEED AND JUSTIFICATION

I. CONTRACT SUMMARY

Counsel: Skadden, Arps, Slate, Meagher & Flom LLP
Scope of Services: Legal services in connection with the 33rd Street Corridor component of the Penn-Farley Complex
Contract Term: October 31, 2020
Contract Amount: Not to exceed $950,000, plus expenses.
Funding Source: The contract, including expenses, will be funded by the Metropolitan Transportation Authority (“MTA”).

II. BACKGROUND

In January 2016, Governor Andrew M. Cuomo commenced the development of a commuter and intercity passenger railroad facility in the Pennsylvania Station-Farley Complex (“Penn-Farley Complex”), as well as an expanded transportation hub on both sides of 8th Avenue, which includes the redevelopment of the James A. Farley Building (“Farley Building”) as the new Moynihan Train Hall with commercial and retail space. In addition, the project includes the renovation of Pennsylvania Station New York (“Penn Station”). In April 2016 the New York State Urban Development Corporation d/b/a Empire State Development (“ESD” or the “Corporation”) entered into a contract with Skadden, Arps, Slate, Meagher & Flom (“Skadden”) to provide legal services for the Penn-Farley Complex renovations. In June 2017, ESD executed
the transaction for the public-private redevelopment of the Farley Building after months of legal negotiations, whereby Skadden served as ESD’s primary outside legal counsel.

Another integral part of the Penn-Farley Complex initiative is the widening and refurbishment of the 33rd Street Corridor (“33rd Street Corridor Project”), which serves as the main concourse for the Metropolitan Transportation Authority (MTA) and the Long Island Rail Road (LIRR) at Penn Station. It is also the facility’s most congested and outdated zone. In order to ease this congestion, the 33rd Street Corridor stakeholders, including the MTA, the LIRR, Amtrak, and Vornado Realty Trust (“Vornado”) (the “Stakeholders”), will negotiate new leases and complete other real estate transactions for the reconfigured space.

ESD has an important role in coordinating the 33rd Street Corridor Project to ensure consistency with the Moynihan Train Hall (Phase 2 currently under construction) and potential future redevelopment of the northeast corner of 33rd Street and Eighth Avenue (adjacent to the corridor) as described in the existing General Project Plan for the Moynihan Station Civic and Land Use Improvement Project. The 33rd Street Corridor is directly connected underground to the Farley Building and the new West End Concourse (Phase 1 of the Moynihan Train Hall). After the completion of the Moynihan Train Hall, the 33rd Street Corridor will continue to serve LIRR passengers connecting to the 7th Avenue Subway and areas to the east.

As the 33rd Street Corridor Project advances, ESD and the MTA whose interests are aligned on this matter, will require legal expertise and response times that cannot solely be provided by ESD or MTA in-house counsel. In order to assist ESD and MTA’s in-house counsels and advise ESD and the MTA during the negotiations related to widening the 33rd Street Corridor, it is necessary that ESD and MTA continue to utilize the services of experienced real estate lawyers who are familiar with the complexities of the Penn-Farley Complex Initiative.

As outside counsel to ESD in the redevelopment of the Farley Building, Skadden developed a detailed understanding of the Penn-Farley Complex, the Stakeholders, and the various legal issues. Accordingly, staff recommends that ESD enter into a new contract for legal services with Skadden, whereby Skadden will provide joint representation of ESD and the MTA for real estate matters related to the 33rd Street Corridor, for $950,000 plus expenses. This contract is contingent upon ESD’s receipt of funds from the MTA to cover all legal services provided by Skadden related to the 33rd Street Corridor Project. Your approval is sought to enter into this new legal contract with Skadden.

III. **SCOPE OF WORK**

Skadden will provide legal services related to the redevelopment of the 33rd Street Corridor, including real estate negotiations with the Stakeholders on behalf of both ESD and the MTA.
IV. COUNSEL SELECTION PROCESS

In June of 2016, ESD staff advertised for legal counsel generally, in the following areas: (1) real estate and land use; (2) construction; (3) environmental; (4) condemnation; (5) bankruptcy; (6) taxation; (7) bond financing; (8) foreclosure; (9) employment; (10) transactional direct and indirect investments; and (11) regulatory litigation. 78 firms responded to the solicitation. Because a number of firms on the 2012 pre-qualified list failed to respond, ESD publicly re-opened the solicitation on August 2, 2016, with proposals due on August 17. Nine additional firms responded to the re-opened RFP, including some that were previously listed on the 2012 list and some new firms. The responses were evaluated, and in February 2017, ESD Directors approved a Pre-Qualified Counsel List. Skadden was pre-qualified in the area of real estate and land use.

ESD legal and Project staff recommend retention of Skadden based on the firm’s demonstrated real estate expertise and prior experience on the Farley Building transaction. Skadden is a full service firm with extensive experience in complicated real estate and governmental transactions. In addition to the Farley Building transaction, Skadden has served ESD as legal counsel on a number of high profile and large scale projects, including the Javits Center redevelopment, the Queen West planned community and the Atlantic Yards project. ESD staff who have worked with the Skadden team speak highly of their talent and professionalism.

V. RESPONSIBLE PARTY

Pursuant to State Finance Law Section 163 and the Corporation’s policy related thereto, staff has: (a) considered Skadden’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 Skadden 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 Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of New York State certified minority and women-owned businesses (MWBEs) in the performance of ESD contracts. Accordingly, ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. No specific MWBE participation goals shall be required, however, the grantee 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 Skadden and (2) authorize ESD to enter into a new contract with Skadden for work associated with the 33rd Street Corridor not to exceed $950,000.

IX. RECOMMENDATION

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

X. ATTACHMENT

Resolutions
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 Skadden, Arps, Slate, Meagher & Flom LLP (“Counsel”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a new contract with Counsel for up to $950,000, 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.

*   *   *

October 19, 2017
FOR CONSIDERATION  
October 19, 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 Hardwick Law Firm, LLC 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: Hardwick Law Firm, LLC ("Counsel")

Scope of Services: Legal services in connection with financing the construction of the Moynihan Train Hall (the "Train Hall").

Current Contract Limit: $300,000, plus expenses.

Proposed Contract Amendment: $125,000, plus expenses.

Total Proposed Contract Amount: $425,000, plus expenses.

Funding Source: The contract amount, including expenses, will be funded by the Metropolitan Transportation Authority ("MTA").

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, which will be known as the Moynihan Train Hall.

In July 2015 ESD retained Hardwick Law Firm, LLC to assist ESD with legal and related work for the financing of the Train Hall for an initial amount of $100,000. In March 2017, the Directors authorized an additional $200,000 for these Hardwick legal services, for a total contract amount of $300,000. On July 21, 2017, ESD closed on the a loan from the United States Department of Transportation pursuant to its Transportation Infrastructure Finance and Innovation Act (“TIFIA”) Credit Program. The TIFIA loan documents and negotiations were very complex and time sensitive, and the transaction involved multiple parties and their legal counsels. The expedited transaction schedule and complexity required Hardwick to provide additional time and effort for the successful TIFIA loan closing. To cover the full cost of Counsel’s services through the TIFIA loan, staff is requesting your approval to amend Hardwick’s contract to increase the maximum amount of Counsel’s contract by $125,000 for a total amount not to exceed $425,000 plus expenses.

III. SCOPE OF WORK

Counsel will continue to advise ESD on legal matters relating to the TIFIA loan and compliance requirements, including, but not limited to:

- Reviewing project materials;
- Structuring the transactions;
- Meeting all TIFIA loan compliance requirements;
- Negotiate and/or document any required TIFIA loan changes; and
- Provide any required legal opinions.

IV. COUNSEL SELECTION PROCESS

In April 2012, ESD staff advertised for legal counsel generally, in the following areas: real estate and land use; environmental; construction; condemnation, bankruptcy; labor; taxation; bond financing; foreclosure and, in each case, related litigation. Sixty-six legal firms, including Counsel, responded to the RFP. The responses were evaluated, and in September 2012, ESD Directors approved a Pre-Qualified Counsel List. Counsel was pre-qualified for bond financing. ESD legal and project staff interviewed six pre-qualified bond financing firms for the TIFIA loan transaction, including Counsel. ESD legal and project staff recommended retention of Counsel based on the firm’s: (a) financing and legal expertise; (b) willingness to work for hourly rates comparable to ESD’s standard legal counsel rates; and (c) the pre-qualification process. Counsel is a firm with offices in New York with experience in tax-exempt bond issuance, TIFIA loans, and RRIF financing transactions. Counsel has performed similar work for ESD in a satisfactory fashion.
The 2012 Pre-Qualified Counsel List has expired. Staff, therefore, conducted a broad solicitation of interested law firms, reviewed the submissions and compiled a new list based on this new solicitation. On February 16, 2017, the board of Directors approved the new list of pre-qualified counsel which will remain in effect for 3 years, subject to extension by an additional year at the discretion of the General Counsel. Counsel is on this new list for bond matters and is again recommended for the requested amendment.

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 Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of New York State certified minority and women-owned businesses (MWBEs) in the performance of ESD contracts. Counsel shall adhere to ESD’s Non-discrimination and Equal Employment Opportunity policy.

Counsel is a New York State certified Minority-owned Business Enterprise and will provide legal services for the above stated scope of work.

VIII. REQUESTED ACTIONS

The Directors are requested 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 $125,000 to the current contract maximum of $300,000, to increase the contract to a total amount not to exceed $425,000, plus expenses.

IX. RECOMMENDATION

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

X. ATTACHMENT

Resolutions
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 Hardwick Law Firm, LLC (“Counsel”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend its contract with Counsel to increase the contract amount by $125,000 from the current amount of $300,000, to an amount not to exceed $425,000, 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.

* * *

October 19, 2017
FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Life Sciences Initiative – Wadsworth Public Health Laboratory Redesign Project – Phase II

REQUEST FOR: Authorization to Enter into a Contract Consulting Services in Connection with the Wadsworth Laboratory Redesign Project and to Take Related Actions

____________________________

CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: Deloitte, LLP (“Deloitte”)

Contract Term: October 1, 2017 – October 1, 2018

Contract Amount: Not to exceed $950,000

Funding Source(s): Fiscal Year 2017-18 New York State Budget Appropriation

II. Background

The Wadsworth Public Health Lab is the second largest public health lab in the country in both size and scope and plays an integral role in protecting the health of New York State (“NYS”) residents. Wadsworth’s facilities are aging and in disrepair and must be rebuilt. In the Fiscal Year 2017-18 State Budget, $150 million was appropriated to the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) for the redevelopment of the Lab. The funds were appropriated to ESD but sub-allocated to the Dormitory Authority of the State of New York (“DASNY”), which is leading the lab facility construction, while ESD’s role in the project is to develop private public partnerships around the Wadsworth Lab capabilities. The goal of this multi-phase project is to rebuild the Lab and leverage Wadsworth to stimulate life sciences cluster growth in the Capital Region and NYS. During Phase I of the project, DASNY issued an expedited Request for Proposals (“RFP”) for a consultant to conduct an assessment of potential new sites for the Wadsworth Lab, a market study of public-private partnership opportunities with Wadsworth, and an economic development analysis of such partnerships.
An interagency group including ESD selected Deloitte to enter into a contract with DASNY to provide these services. Deloitte has now completed Phase I of the project, resulting in identification of multiple academic and commercial organizations interested in a Wadsworth partnership, along with an opportunity for a bio-accelerator program, summarized in a final draft report.

In the next phase of this project, the State requires a comprehensive approach to define a life sciences strategy and how the lab and Capital Region relate to and synergize with that strategy. The purpose of this contract is to continue ongoing initiatives, particularly the multi-partnership discussions and negotiations, and to evaluate and develop investment and partnership opportunities.

More specifically, the goals are to:

- Align the Wadsworth Lab’s life sciences strategy with the State’s
- Perform an assessment of the State’s life sciences assets and strategic opportunities in order to ensure investment and other opportunities complement and strengthen the State’s life sciences ecosystem and synergize with Wadsworth Lab
- Evaluate possible investment and partnership opportunities (such as the New York Genome Center) for alignment with the State’s and Wadsworth’s strategy
- Design a bio-accelerator program to support life sciences innovation and growth within the State and Capital Region
- Identify the infrastructure required to support the commercial life sciences industry in the State

ESD will oversee this phase. ESD proposes to procure Deloitte’s services for the second phase of the project, to build upon Deloitte’s knowledge of the Wadsworth Lab and the State’s life sciences goals, and to further develop its relationships with the identified academic and commercial entities interested in partnering with the Wadsworth Lab.

III. Scope of Services

Deloitte will support New York’s efforts to:

- Facilitate public-private partnerships with identified academic and commercial entities from the first phase to develop a proposal to ESD for co-investment in the Wadsworth Lab.
- Develop bioinformatics public-private partnership opportunities to leverage New York State Department of Health and Wadsworth capabilities and assets
- Evaluate New York Genome Center investment within the context of the State’s life sciences strategy and Wadsworth’s public-private partnership goals
• Identify an appropriate organization to implement a bio-accelerator program at Wadsworth Lab facility, to be integrated with other sites across the state

• Conduct an in-depth state-wide life science landscape assessment to more comprehensively assess Wadsworth partnering opportunities and other life science investments by the State

• Ensure the State’s life science strategy aligns with Wadsworth Lab plan

IV. Contractor Selection Process

A Contract Reporter Exemption was granted for this proposed contract based on a single-source contract request justified for reasons summarized here. Deloitte possesses in-depth knowledge of the Wadsworth Lab project and ESD’s Life Science initiative as a result of its engagement by DASNY on the first phase of the Wadsworth Lab project and related economic development initiatives. As a result, Deloitte has developed a deep institutional and experiential memory that cannot be replicated by another firm easily or efficiently. In particular, Deloitte has already identified, through its pre-existing relationships and extensive network, multiple private and academic organizations not only interested in working in partnership with Wadsworth, but with interests that dovetail with Wadsworth’s capabilities and needs.

In addition, Deloitte’s knowledge of Wadsworth, combined with its deep understanding of the bio-accelerator industry, makes it the most qualified consultant to understand how best to develop a bio-accelerator program at Wadsworth that can be integrated quickly with other sites across the State. This will not only strengthen the life science cluster in the Capital Region, but in other parts of the State, as well.

ESD’s current ability to move discussions forward with prospective partners would be severely impaired were another organization to step in, as they would require several months to attain the same level of knowledge and understanding and at additional cost. Considering the time-sensitive nature of the services described above, the need to maintain continuity with prospective partners, and Deloitte’s uniquely relevant knowledge base, Deloitte is the only firm well-positioned to execute the contract in question and to do so in a cost effective manner.

V. Contract Term, Price and Funding

The contract will be funded by a Fiscal Year 2017-18 New York State Budget appropriation in the amount of $150 million designated for services and expenses of a life sciences laboratory public health initiative in the Capital District.
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, women and service disabled veterans in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) and Service-Disabled-Veteran-owned Business Enterprises (SDVOBs) 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 and 9 NYCRR§ 252.2(m)) to achieve MWBE and SDVOB Participation. Establishment of specific goals related to the total value of ESD’s funding is still pending.

VII. Environmental Review

ESD staff has determined that the requested authorization to enter into a contract for Project Management Services constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the requested authorization.

VIII. Responsible Parties

ESD has examined Deloitte’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 Deloitte is a responsible vendor.

IX. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed contractor; (2) authorize ESD to enter into a contract with Deloitte for an amount not to exceed $950,000, and (3) authorize ESD to take related actions.

X. Recommendation

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

Attachments

Resolution
NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT - Life Sciences Initiative - Wadsworth Public Health Laboratory Redesign Project – Phase II – Authorization to Enter into a Contract for Consulting Services in Connection with the Wadsworth Laboratory Redesign Project and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Deloitte, LLP (“Deloitte”) to be responsible; and be it further RESOLVED, that the Corporation is hereby authorized to enter into a contract with Deloitte in an amount not to exceed $950,000 DOLLARS ($950,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *
FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Rochester (Finger Lakes Region – Monroe County) – Upstate Drug Discovery Center Working Capital – Life Sciences Initiative Fund (Working Capital Grant)

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

I. Project Summary

Grantee: University of Rochester Medical Center (“UR”)

ESD* Investment: A grant of up to $1,650,000 to be used for the costs of planning activities necessary to establish a sustainable Upstate Drug Discovery Center (“Upstate TDI”)

Project Location: Upstate Regions of New York State

Proposed Project: Research and stakeholder engagement to develop a technology-focused business plan to establish a not-for-profit a sustainable Upstate Drug Discovery Center in New York State

Project Type: Establishment of an Upstate Drug Discovery Center

Regional Council: The Finger Lakes Regional Economic Development Council has been made aware of this item.
II. **Project Cost and Financing Sources**

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Desk Research</strong></td>
<td>$150,000</td>
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<tr>
<td>- Due diligence on Memoranda of Understanding</td>
<td></td>
</tr>
<tr>
<td>- Research partnerships modelled after Tri-I TDI</td>
<td></td>
</tr>
<tr>
<td>- Research drug pipeline evaluation methodology</td>
<td></td>
</tr>
<tr>
<td><strong>Articulate Vision and Goals</strong></td>
<td>$150,000</td>
</tr>
<tr>
<td>- Conduct workshops with stakeholders</td>
<td></td>
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<tr>
<td>- Develop high-level business model</td>
<td></td>
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<tr>
<td><strong>Create Business Plan</strong></td>
<td>$400,000</td>
</tr>
<tr>
<td>- Develop business model</td>
<td></td>
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<tr>
<td>- Develop financial plan</td>
<td></td>
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<tr>
<td>- Develop operating model</td>
<td></td>
</tr>
<tr>
<td><strong>Socialize and Align Business Plan</strong></td>
<td>$300,000</td>
</tr>
<tr>
<td>- Validate business and financial plan with stakeholders</td>
<td></td>
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<tr>
<td>- Review business plan with legal counsel</td>
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</tr>
<tr>
<td><strong>Develop Execution Plan</strong></td>
<td>$300,000</td>
</tr>
<tr>
<td>- Provide detailed execution plan including timeline</td>
<td></td>
</tr>
<tr>
<td>- Engage commercial partners</td>
<td></td>
</tr>
<tr>
<td><strong>Establish Project Management Office</strong></td>
<td>$100,000</td>
</tr>
<tr>
<td>- Develop 100 Day Plan</td>
<td></td>
</tr>
<tr>
<td>- Define governance</td>
<td></td>
</tr>
<tr>
<td><strong>Legal Services</strong></td>
<td>$250,000</td>
</tr>
<tr>
<td>- Draft affiliation agreements</td>
<td></td>
</tr>
</tbody>
</table>

Total Project Costs: $1,650,000

<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESD-Grant</td>
<td>$1,650,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Total Project Financing: $1,650,000

III. **Project Description**

A. **Organization**

**Industry:** Higher education and research

**Organization History:** Formed in 1850, the University of Rochester is an institution of higher education, research and health care chartered by the State Board of Regents. Combined with its medical center and hospital, the University is the largest employer in the Finger Lakes Region, with over 25,000
equivalent full-time jobs. UR’s Medical Center (“URMC”), the region’s largest acute care facility, comprises the majority of those jobs with approximately 18,456 full-time equivalent employees. UR’s research represents a source of innovation and new technologies that can be harnessed for commercial potential. The University has a strong track record of helping convert its discoveries into commercial ventures. For the past several years, UR has been among the top 15 universities in the nation in terms of the royalty revenue it receives from its licensed technologies. As of June 2017, the University of Rochester has facilitated the formation of 61 startups, holds 740 U.S. and international patents, and has more than 170 active license agreements for its technologies.

Ownership: UR is a private university.

Size: UR’s educational and main medical facilities are located in Rochester, NY. Many other UR facilities are located throughout the Finger Lakes Region. The University has an enrollment of over 11,000 students and is the Finger Lakes Region’s largest employer with over 25,000 full-time equivalent employees.

ESD Involvement: The Life Sciences Initiative was established in 2017 for the purpose of nurturing, growing and retaining new life sciences companies in New York State (“NYS”), attracting existing companies from outside NYS, promoting critical public and private sector investment in emerging life sciences fields in NYS, and creating and expanding life sciences related businesses and employment. It is intended to operate in areas identified by NYS 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. Based on the life science economic development impact described in the “results” section below, ESD believes the planning grant to UR is justified on grounds of contributing significantly to the development of critical infrastructure necessary for the growth of life science industry in NYS.

The University of Rochester, University at Buffalo (“UB”’) and Roswell Park Cancer Institute (“RPCI”) receive over $189 million in annual federal National Institute of Health (“NIH”) medical research funding; these institutions seek new ways to commercialize the abundance of basic research taking place on their campuses. A best practice in the field is the Tri-Institutional Therapeutics Discovery Institute, Inc. (“TDI” or “Institute”), a not-for-profit formed by a partnership between Memorial Sloan-Kettering Cancer Center, the Rockefeller University and Weill Cornell Medical College. This groundbreaking Institute is designed to expedite early-stage drug discovery into innovative treatments and
therapies for patients. The TDI represents a novel partnership of academic institutions working together to more effectively develop therapeutics that arise from discoveries made in basic science labs. Its focus is on the early stages of developing compounds that make possible all-important “proof of concept” studies – those that increase the likelihood that targeting a specific biologic pathway can favorably alter the course of a disease. TDI then partners with pharmaceutical companies, including Takeda and life science venture investors, to bring the developments to market.

ESD seeks to replicate the TDI model through a partnership among UB, UR and RPCI in Upstate New York. In order to do so, a drug discovery pipeline, business plan, sustainable finance plan and affiliation agreements need to be developed. ESD is seeking to provide a $1,650,000 grant from the Life Science Initiative to fund the establishment the Upstate TDI.

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

<table>
<thead>
<tr>
<th>Program</th>
<th>Project #</th>
<th>Amount</th>
<th>Date Start (ESD Directors’ Approval date)</th>
<th>Date End (Project Completion: Contract Expiration)</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Council Capital Fund</td>
<td>X861</td>
<td>$1,700,000</td>
<td>December 20, 2012</td>
<td>2013</td>
<td>Capital – Phase I of Health Sciences Center for Computational Innovation (“HSCCI”)</td>
</tr>
<tr>
<td></td>
<td>X807</td>
<td>$3,300,000</td>
<td>December 20, 2012</td>
<td>2013</td>
<td>Capital – Phase I of HSCCI</td>
</tr>
<tr>
<td></td>
<td>Y252</td>
<td>$5,000,000</td>
<td>June 27, 2014</td>
<td>2015</td>
<td>Capital – Phase II of HSCCI</td>
</tr>
<tr>
<td></td>
<td>Y866</td>
<td>$500,000</td>
<td>June 25, 2015</td>
<td>2016</td>
<td>Capital – Machinery and Equipment for HSCCI</td>
</tr>
</tbody>
</table>
B. The Project

Completion: February 2018

Activity: UR will undertake the following tasks to establish the Upstate Drug Discovery Center:

- Facilitate a partnership between University of Rochester, University of Buffalo, and Roswell to replicate the TDI model and develop Memoranda of Understanding (“MOU”) with partner institutions to initiate official affiliation agreements
- Establish program infrastructure - Support the transactions required to create the Upstate TDI program, including creating a not-for-profit entity, developing the business and financial plan, and managing the inter-institutional agreements
- Enable affiliation agreements with corporate partners: execute commercial partnerships matching academic researchers with private partners who are willing to co-invest and share resources to support drug development and commercialization
- Support ongoing program alignment - Manage stakeholders, project timeline, and budget to enable academic institutions to become full translational partners and drivers of drug innovation

It should be noted that the upstate institutions have each allocated five employees to work on developing the Upstate TDI center, with each employee contributing five to 15 hours a week to the project. Additionally, the institutions have paid for travel costs for these teams to attend meetings in New York City and Rochester. The value of these in-kind contributions over the course of the entire project is estimated to be at least $200,000.

Results: The Upstate TDI drug discovery and development center will significantly expand and accelerate the commercialization of new pharmaceuticals in NYS. The goal of Upstate TDI partnership is to leverage the federal research funding that has resulted in a number of biological discoveries to commercialize those targets. TDI provides industrial-scale technical support for academic projects, making it possible to rapidly assess the utility of specific therapeutic targets in disease-relevant contexts.

The Upstate TDI is expected to spur job growth through industry partners, including contract research organizations (“CROs”) and other suppliers who will execute some of the drug development work for Upstate TDI in NYS, and from the startup companies formed around the Upstate TDI technologies. Life science jobs average over $85,000 annually, which is significantly higher than the average income of $45,000 annually for the Upstate region. In addition, as NYS new drug discovery and development pipeline grows, it will attract more venture
capital investment, strategic industry partners and opportunities to grow or attract drug development and production partners.

The current TDI empowers the three downstate institutions to translate research discoveries from bench to bedside by offering a menu of services that are unprecedented in scale and scope in an academic environment. This is accomplished through a series of highly favorable academic-industry partnerships established through TDI, as well as an Innovation & Education Initiative, which provides community-wide training and support in order to maximize the impact of these partnerships on academic drug discoveries.

Additionally, replicating this successful model for the Upstate TDI partners will result in:

- new revenues to the partner organizations enabling continued investment in drug discovery and development;
- translation of life science research into new companies;
- infusion of venture capital dollars into Upstate New York;
- creation of life science jobs in Upstate through industry partners and suppliers;
- reduced time and cost to bring new drugs to market by removing the barriers that impede academic drug discovery;
- and improved health outcomes in NYS as new biologic products are brought to market.

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: Peter G. Robinson, M.P.H
University of Rochester Medical Center
School of Medicine and Dentistry
601 Elmwood Ave, Box 706
Rochester, NY 14642
Phone: (585) 276-3000
peter_robinson@urmc.rochester.edu

ESD Project No.: AC346

Project Team: Origination Loretta Beine
Project Management Maria Mitchell/Marshal Lawler
Contractor & Supplier Diversity Geraldine Ford
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 $1,650,000 will be disbursed to the Grantee in two installments as follows:

   a) $650,000 upon documentation verifying project expenditures of $650,000, including copies of invoices, proof of payment and such other documents as ESD may reasonably require, as well as submission, and acceptance by ESD, of project deliverables as described below:

   - Facilitate partnership among University of Rochester, University at Buffalo, and Roswell to replicate the Tri-I TDI model and develop Memorandum of Understanding (MOU) with partner institutions to initiate official affiliation agreements
   - Establish program infrastructure: support the transactions required to create the Upstate TDI program, including creating a non-profit entity, developing the business and financial plan, and managing the inter-institutional agreements
   - Enable affiliation agreements with corporate partners: execute commercial partnerships matching academic researchers with private partners who are willing to co-invest and share resources to support drug development and commercialization
   - Support ongoing program alignment: manage stakeholders, project timeline, and budget to enable academic institutions to become a full translational partner and driver of drug innovation

   b) $1,000,000 upon documentation verifying project expenditures of an additional $1,000,000 (total project expenditures of $1,650,000), including copies of invoices, proof of payment and such other documents as ESD may reasonably require, as well as submission, and acceptance by ESD, of project deliverables as described below:

   - Identify drug discovery and development partnership model requirements
   - Support academic partnership among the University of Rochester, SUNY Buffalo, and Roswell Institute
   - Build the capabilities needed to stand up non-profit and “Bridge Medicines” entity
   - Identify location, organizational structure, participant rights/responsibilities, and ownership percentages
   - Facilitate the establishment of affiliation and collaboration agreements
   - Initiate drafting of agreements with universities and corporate partners
   - Review and validate credibility of development pipeline
   - Execute partnership agreement with identified corporate partner
• Identify insourcing/outsourcing opportunities along the value chain
• Identify key performance indicators (“KPIs”) to evaluate the success of the Upstate TDI model
• Identify transferable technology capabilities from downstate Tri-I TDI model
• Support ongoing program management and ensure alignment among key stakeholders

Additional Tangible Outcomes:

• Operating model for the Upstate TDI model
• List of KPIs to measure the success of the Upstate TDI model
• Draft affiliation agreements with universities and corporate partners
• Roadmap and timeline to establish affiliation and collaboration agreements with corporate partners
• Development of a business and financial plan for the Upstate Center

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 October 1, 2017 to be considered eligible project costs.

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

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $1,650,000, 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 – 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. 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 and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (“MWBEs”) for any
contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the eligible categories totaling approximately $250,000. As such, the goal MWBE utilization shall be no less than $75,000.

VII. ESD Employment 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. Recommendation

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

X. Attachment

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to University of Rochester a grant for a total amount not to exceed One Million Six Hundred and Fifty Thousand Dollars ($1,650,000) 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.

*     *     *
FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Land Bank Program

REQUEST FOR: Approval of Land Bank Application and Authorization to Take All Related Actions

I. Background

New York State’s Land Bank Program (the “Program”) was established with enactment of Article 16 of the New York State Not-for-Profit Corporation Law (the “Act”). The Legislative intent of the Act found and declared that New York’s communities are important to the social and economic vitality of the state and that whether urban, suburban or rural; many communities are struggling to cope with vacant, abandoned and tax delinquent properties.

In order to combat the problem of vacant and abandoned properties, the Act permits local communities on their own, or together through the execution of intergovernmental agreements, to create not-for-profit corporation land banks to be utilized to facilitate the return of vacant, abandoned and tax-delinquent properties to productive use. The primary focus of land bank operations is the acquisition of real property that is tax delinquent, tax foreclosed, vacant and/or abandoned, and to use the tools of the Act to eliminate the harms and liabilities caused by such properties.

Pursuant to Section 1603 of the Act, the creation of a land bank is conditioned upon approval of the New York State Urban Development Corporation d/b/a Empire State Development (‘ESD’).

II. The Program Guidelines

ESD’s role in this initiative is to approve applications from municipalities seeking to create land banks in their communities. Pursuant to the Act, the number of land banks statewide was initially limited to ten, but that number was expanded to twenty. As part of the 2017-18 State budget, that number has been increased to twenty-five. At its November 2011 Board meeting, the Directors approved guidelines for the Program which set forth the application process, eligibility criteria, evaluation criteria, the approval process and other terms and conditions regarding approval of applications (the “Guidelines”).
Pursuant to the Guidelines, ESD moved forward with approving applications in multiple rounds from interested municipalities. The first round of applications were received by March 30, 2012 and as a result, five applicants were approved by the ESD Board at its meeting in May of 2012. Second Round applications were received by January 30, 2013 and as a result, three additional applications were approved. Since that time, ESD has opened up the application process and has approved fourteen additional land banks for a total of twenty-two to date. ESD will continue to accept applications until the statutory limit of twenty-five is reached.

The success of the New York Land Bank program has been detailed in a report issued by the Center for Community Progress, in partnership with the New York State Land Bank Association Association, and can be found at: http://syracuseelandbank.org/wp-content/uploads/2017/05/NYLBA-publication-FINAL-05-04-2017.pdf

III. Recommendation

The Guidelines adopted by ESD cite the criteria in which ESD evaluated the applications. In general, the factors can be broken down into three categories: 1) the level of intergovernmental cooperation; 2) the need for a land bank; and 3) the likely success of the land bank as proposed. Based on staff review, it is recommended that the application submitted by Niagara and Orleans Counties and the Cities of Niagara Falls, Lockport and North Tonawanda be approved.

The application has demonstrated broad local support and will cover the geographic regions of two counties. In addition, the application has shown strong in-kind support to be provided by the participating counties and cities and has demonstrated a significant problem with vacant properties in the community. Based on the foregoing, the applicants have made a strong case that the land bank will be successful in its communities.

IV. Environmental Review

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the previous approval of land bank applications, the Directors made a Determination of No Significant Effect on the Environment at their meeting of May 17, 2012. This determination addressed all aspects of the proposed action. Therefore, no further environmental review is required in connection with this action.

V. Requested Actions

The Directors are requested to: 1) pursuant to Section 1603 of the Act, approve the creation of a land bank based on the application submitted by the Counties of Niagara and Orleans and the Cities of Niagara Falls, Lockport and North Tonawanda; and 2) take all related actions.
VI. **Recommendation**

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

**Attachments**

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

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

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

* * *
TO: The Directors  
FROM: Howard A. Zemsky  
SUBJECT: Amendment to Contract to Provide Marketing Services Including Advertising, Digital Marketing, Events, Media Planning and Buying Services  

I. CONTRACT AMENDMENT SUMMARY


Scope of Services: To provide Marketing Services including but not limited to Advertising, Digital Marketing, Events, Media Planning, and Buying Services.

Contract Term: Contract expires November 30, 2018, subject to extension.

Current Contract Amount: Not to exceed $150,000,000.

Contract Amendment Amount: $75,000,000. The Amendment will increase the maximum contract amount from $150,000,000 to $225,000,000, contingent on funding. All other contract terms remain unmodified.

Funding Source: Legislative Appropriation.

II. BACKGROUND

NYS Urban Development Corporation, doing business as Empire State Development (“ESD” or “the Corporation”) 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, 2018.

III. THE ESD/CE-NY CONTRACT AMENDMENT

The upset amount of the existing contract would increase by $75,000,000, from the current $150,000,000 (most of which has been spent or committed to future media buys and other costs) up to $225,000,000. Other than this modification, all other terms of the contract remain unmodified.

CE-NY has performed satisfactorily under the contract and the marketing campaigns for economic development and tourism have been highly visible.

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 Proposals ("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 unique and 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 amend the existing contract with CE-NY to increase the upset amount of the contract from $150,000,000 to $225,000,000 and take related actions.
IX. **RECOMMENDATION**

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

X. **ATTACHMENT**

Resolution
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 enter into an Amendment of the existing contract pursuant to which the maximum contract amount would be increased from $150,000,000 to $225,000,000, and all other contract terms would remain unmodified and in full force and effect, substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the 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.

*   *   *
FOR CONSIDERATION
October 19, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Procurement of Legal Services

REQUEST FOR: Authorization to Amend the Contract with the Law Firm of Winston & Strawn, LLP to Continue to Provide Legal Services as Bond Tax Counsel in Connection with Correctional and Youth Facilities Bonds and to Take Related Actions

I. AMENDED CONTRACT SUMMARY

Counsel: Winston & Strawn, LLP (“Counsel”)

Scope of Services: Counsel would continue to advise the New York State Urban Development Corporation d/b/a Empire State Development Corporation (“the Corporation” or “ESD”) in transferring properties securing or financed by Correctional and Youth Facilities Bonds

Proposed Amendment

Amount: Not to Exceed $155,000

New Proposed Total

Contract Amount: $455,000

Contract Term: One (1) Year

Funding Source: Corporate Funds or Developer Funds

II. BACKGROUND

In the spring of 2011, the Division of the Budget and the Legislature agreed to close several correctional and juvenile facilities around the State operated by the Department of Corrections and Community Supervision and the Office of Children and Family Services.
Most of the facilities were constructed or renovated with proceeds of bonds (“Bonds”) issued by ESD and some are still owned by ESD as part of a bond financing lease structure. As underutilized prisons are closed and sold, Bonds are paid or refunded; prison properties are then no longer required to be owned by ESD and can be transferred back to the New York State Office of General Services or to municipal and private entities.

There are both state and federal restrictions on a change in use or ownership of correctional projects previously financed by state bonds. The State restrictions emanate from the bond and lease structure and the federal restrictions emanate from federal tax law generally applicable to tax exempt financing.

Specialized bond tax counsel from Winston and Strawn (“Winston”) has previously been consulted and retained under a contract dated January 17, 2014. Pursuant to the previous contract, Winston analyzed the entire ESD correctional facilities bond portfolio and prepared a thorough analysis of applicable law and the terms of the applicable bond resolutions which research determines the necessary individualized documents and opinions.

Winston has provided necessary opinions and other documentation and analysis on several specific transactions and has exceeded the prior retainer amount. The entire bond team from Winston has moved to another firm and the Corporation does not expect to utilize Counsel on any future bond matters. The authorization for an amendment to the previous contract is necessary to make final payment to Winston.

III. COUNSEL SELECTION PROCESS

In April 2012, ESD staff advertised for legal counsel in multiple areas. Sixty-six firms responded (including Counsel), the responses were evaluated, and in September 2012 the Directors approved a Pre-Qualified Counsel List. Counsel was pre-qualified to serve as bond counsel.

Staff recommended the retention of Counsel in 2014 as attorneys for tax analysis related to prison funding with tax exempt bonds based on: (a) knowledge and expertise of the firm; (b) prior satisfactory work which the firm has performed for ESD; (c) rate proposal; and (d) the pre-qualification process. Counsel had experience in all facets of bonds with an expertise in tax analysis.

The 2012 Pre-Qualified Counsel List has expired. Staff, therefore, conducted a broad solicitation of interested law firms, reviewed the submissions and compiled a new list based on this new solicitation. On February 16, 2017, the board of Directors approved the new list of pre qualified counsel which will remain in effect for 3 years, subject to extension by an additional year at the discretion of the General Counsel. Counsel is on this new list for bond matters and is again recommended for the requested amendment.
IV. SCOPE OF WORK

Counsel would continue to advise the Corporation in bond, tax and related areas necessary to transfer correctional and youth facilities financed or secured by ESD Bonds.

V. CONTRACT - TERM

The term of the amendment will be one year. The maximum amount of the contract shall be $155,000. Counsel would work at an hourly rate. At ESD’s standard rates: $600 Partner/Of counsel; $550 per hour for Senior Associates (At least four years of experience); $500 per hour for Mid-level associates; $425 per hour for Junior Associates (Passed the bar exam but less than three years of experience); $325 per hour for Law Clerk (Law Student interns and/or associates who have yet to pass the bar exam); and $150 per hour for Legal Assistant/Paralegal. The source of funding will be corporate funds except instances where costs can be assessed to a purchaser.

VI. RESPONSIBLE PARTY

Pursuant to State Finance Law Section 139-j and 139-k 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.

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 Non-Discrimination and Contractor & Supplier Diversity policies will apply to this contract. Consul 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 this procurement, 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.

The Law Offices of Joseph C. Reid, P.A. a certified MBE, has been retained separately to achieve the required participation.
IX. REQUESTED ACTION

The Directors are being asked to authorize the amendment to the previous Winston & Strawn LLP contract to continue providing legal services to the Corporation in an amount not to exceed $155,000 with the amendment to expire in one year. Compensation will be at rates not to exceed ESD limits.

X. RECOMMENDATION

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

XI. ATTACHMENT

Resolution
NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Amend the Contract with the Law Firm of Winston & Strawn, LLP to Continue to Provide Legal Services as Bond Tax Counsel in Connection with Correctional and Youth Facilities Bonds and to Take Related Actions

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 Winston & Strawn LLP (“Counsel”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend a contract with Counsel for the purposes and services, for an additional amount not to exceed One Hundred Fifty Five Thousand DOLLARS ($155,000) for a total new contract amount not to exceed Four Hundred Fifty Five Thousand DOLLARS ($455,000) and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President 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 related actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the Corporation or Counsel consistent with this authorization are hereby ratified and affirmed.

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