

NYS Urban Development Corporation Meeting
37th Floor Conference Room
Thursday, 11/21/2019
9:30 - 11:30 AM ET

I. Corporate Actions

A. Approval of the Minutes of the October 17, 2019 Directors' Meeting

101719 Draft ESD Minutes - Page 5

B. Lake Ontario Business Resiliency Program

Authorization to Approve Program Guidelines; Delegation of Authority; and Authorization to Take Related Actions

Lake Ontario Business Resiliency Program - Page 38

Lake Ontario Business Resiliency Program Guidelines - Page 42

Oral Reports

A. President's Report

B. Loans and Grants - Summary of Projects

II. Projects

A. Buffalo (Western New York Region – Erie County) – Lactalis American Capital, Inc. - 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

Lactalis American Group Inc - Page 53

B. Jamestown (Western New York Region – Chautauqua County) – City of Jamestown Working Capital – New York Work Economic Development Fund (Working Capital Grant)

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

City of Jamestown Working Capital - Page 65

C. Regional Council Award – Union Springs (Central New York Region – Cayuga County) – Du Mond Grain Capital – Regional Council Capital Fund (Capital Grant)

Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

Du Mond Grain Capital - Page 73

Du Mond Grain Capital Photograph - Page 85

D. Regional Council Award – Syracuse (Central New York Region – Onondaga County) – Le Moyne College Quantitative Reasoning Center Capital – Regional Council Capital Fund (Capital Grant)

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

Le Moyne College Quantitative Reasoning Center Capital - Page 86

E. Oswego (Central New York Region – Oswego County) – Cahill Building Capital – Downtown 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
Cahill Building Capital - Page 95
Cahill Building Capital Photographs - Page 104

F. Regional Council Award – Priority Project – Tupper Lake (North Country Region – Franklin County) – Village of Tupper Lake Capital – Regional Council Capital Fund (Capital Grant) -

Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment
Village of Tupper Lake Capital - Page 105
Village of Tupper Lake Capital Photographs - Page 115

G. Regional Council Award – Priority Project – Horseheads (Southern Tier Region – Chemung County) – Beecher Emission Solution Technologies 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
Beecher Emissions Solution Technologies Capital - Page 117

H. Regional Council Award - Congers (Mid-Hudson Region - Rockland County) - Star Kay White 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
Star Kay White Capital - Page 129

I. Regional Council Award – Walkkill (Mid-Hudson Region – Ulster County) – Ironworkers Local 417 Training and Education 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
Ironworkers Local 417 Training and Education Capital - Page 141

J. Regional Council Award – Warwick (Mid-Hudson Region – Orange County) – Drowned Lands Brewery Capital – Regional Council Capital Fund and Market NY Capital Appropriation (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
Drowned Lands Brewery Capital - Page 149
Drowned Lands Brewery Capital Photographs - Page 162

K. Regional Council Award – Newburgh (Mid-Hudson Region - Orange County) – Mount Saint Mary College Capital – Regional Council Capital Fund (Capital Grant)

Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
Mount Saint Mary College Capital - Page 164
Mount Saint Mary College Capital Photographs.pdf - Page 172

L. Marcy (Mohawk Valley Region – Oneida County) – Cree – Marcy Nanocenter Capital – Nano Utica 16-17 – (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; Determination of No Significant Effect on the Environment

Cree-Marcy Nanocenter Capital - Page 173

Cree-Marcy Nanocenter Capital Photographs - Page 185

M. Restore New York Communities – Capital Grants

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

Grantees

A. City of Cohoes – 95 Remsen Street Renovations Restore NY V (Albany County) - \$631,000

B. City of Ogdensburg – BOA Restore IV (St. Lawrence County) - \$500,000
Restore NY Consent Calendar - Page 186

III. Non-Discretionary Projects Consent Calendar

A. Non-Discretionary Consent Calendar

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

Local Assistance (Assembly)

A. Stony Brook Medicine National Cancer Institute Working Capital – The Research Foundation of the SUNY Stony Brook University (Suffolk County) - \$670,000

Special Appropriation Clarkson - Trudeau

A. Trudeau Institute 3.0 Working Capital III – Trudeau Institute, Inc. (Franklin County) - \$5,000,000
Non-Discretionary Consent Calendar - Page 203

IV. New York Ventures

A. New York State Innovation Venture Capital Fund (“NYSIVCF”)

Authorization of an Investment of NYSIVCF Funds in BlocPower, Inc.
NYSIVCF-BlocPower Inc - Page 222

B. New York State Innovation Venture Capital Fund (“NYSIVCF”)

Authorization of an Investment of NYSIVCF Funds in Cureatr, Inc.
NYSIVCF-Cureatr Inc - Page 228

V. Administrative Actions

A. Life Sciences Initiative - Procurement of Life Science Accelerator Services

Authorization to Enter into a Contract for Life Science Accelerator Services and to Take Related Actions

Life Sciences Initiative-Procurement of Life Science Accelerator Services - Page 235

B. Procurement of Program Administration Consultant Services

Authorization to Enter into a Contract for Consultant Services and to Take Related Actions
Procurement of Administration Program Consultant Services Contract - Page 241

C. Elmont (Nassau County) - Belmont Park Redevelopment

Authorization to Extend the Contract with Bryan Cave Leighton Paisner LLP for Legal Services Related to the Belmont Park Redevelopment Civic and Land Use Improvement Project

Belmont Park Redevelopment - Page 246

D. Microsoft Dynamics Systems

Authorization to Enter into a Contract Renewal of Microsoft Dynamics Systems Software and Licenses; and Authorization to Take Related Actions

MS Dynamics Contract Renewal - Page 250

E. Orange Residential Center - Proposed Transfer to, and Disposition by, the Office of General Services of the State of New York of the Orange Residential Center

Authorization for Transfer to, and Disposition by, the Office of General Services in Accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

Orange Residential Center - Page 254

VI. For Information

A. Fiscal Year 2019-20 Budget Variance Budget Reports (Second Quarter)

Budget Variance Report Cover Memo - Page 260

Department Budget Variance Report - Page 261

Subsidiary Operating Budget Variance Report - Page 264

Subsidiary Capital Budget Variance Report - Page 265

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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

October 17, 2019

MINUTES

In Attendance Howard A. Zemsky – Chair
Directors: Eric J. Gertler
Cesar A. Perales
Shaunik Panse, Designee for Linda A. Lacewell – Superintendent –
NYS Department of Financial Services

Present for ESD: Simone Bethune, Project Manager
Douglas Bressette, Treasurer
Edward Espejo, Senior Director - Finance
Elizabeth Fine, Executive Vice President – Legal and General Counsel
Steve Gold, Vice President – Industry Development
Kevin Hansen, Vice President – Strategy, Operations and Policy
Jolyon Handler, Senior Vice President – Contract Administration
Elaine A. Kloss, Chief Financial Officer
Robert Kwon, Vice President – Portfolio Management & Project Finance
Edwin Lee, Senior Vice President – Economic Incentives
Holly Leicht, Executive Vice President – Real Estate Development
Benson Martin, Director of Compliance
Glendon McLeary, Vice President – Economic Incentives
Kathleen Mize, Deputy Chief Financial Officer and Controller
Richard Newman, Chief of Staff
Christopher Ortiz, Assistant Vice President and Special Advisor –
Innovation and Broadband
Pravina Raghavan, Executive Vice President – Small Business and
Technology Development
Debbie Royce, Corporate Secretary
Sharon Rutter, Senior Director – NYS Venture Capital Fund
Jack Sterne, Press Secretary
Valerie White, Director – Minority and Women-owned Business Division
Kevin Younis, Chief Operating Officer

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Also Present: Clayton Besch, Director – NYS Innovation Venture Capital Fund
James Fayle, Director - Central New York Regional Office
Donna Howell, Director – Southern Tier Regional Office
Amanda Mays, Director – Western New York Regional Office
Vincent Esposito, Director – Finger Lakes Regional Office
Michael Reese, Director – Mohawk Valley Regional Office

Also Present: The Press
The Public

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:32 a.m. by 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 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 at this time.

Chair Zemsky then called for a motion to approve the Minutes of the September 19, 2019 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE SEPTEMBER 19, 2019 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on September 19, 2019, as

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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 Chair asked Director Gertler to provided the President’s Report on the Corporation’s most recent activities.

The Chair then asked Glendon McLeary to present a summary of the project items on the Agenda. Chair Zemsky explained that following this brief presentation, he will call upon the individual Regional Directors or their representatives to present the projects from their region.

Mr. McLeary noted that the Directors will be asked to consider 12 projects totaling more than \$25,132,876 in grants, including two Buffalo Billion projects, four Regional Council awards and eight discretionary awards that will take place in various regions throughout the State.

Mr. McLeary further explained that these projects will leverage over \$133 million of additional investment, retain 5,208 jobs and create 659 jobs in the State.

Next, the Chair asked Amanda Mays, Director of the Western New York Regional Office to present the next two items on the Agenda for the Directors’ consideration.

First, Ms. Mays noted that the two projects were part of the Governor’s \$50 million East Side Corridor Economic Development Fund, which is an initiative designed to spark

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revitalization of Buffalo’s east side investments in four main north-south commercial corridors.

The first item Ms. Mays presented, was a Buffalo Regional Innovation Cluster grant to the Buffalo Olmsted Park Conservancy in the amount of \$1,170,000.

Ms. Mays explained that the grant will be used to improve the historic Frederick Olmsted designed Parade Park, now known as Martin Luther King, Jr. Park on Buffalo’s east side.

Ms. Mays further explained that the Buffalo Olmsted Park Conservancy is a not-for-profit organization that has a long term agreement with the City of Buffalo for the operation and maintenance of the City’s Olmsted designed parks.

Ms. Mays noted that the first phase of the Project will consist of park wide enhancements to pedestrian lighting and repairs to the park’s greenhouse complex.

Lastly, Ms. Mays noted that part of the funding will be used to hire a consultant to perform a comprehensive assessment of the greenhouse that will inform the Conservancy of what future capital investments from the overall \$4 million allocation will need to be made and what funds will remain for additional master plan projects.

The second item Ms. Mays presented, was a Buffalo Innovation Cluster Fund grant to

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the Colored Musicians Club in Buffalo in the amount of \$2 million to be used for construction, renovations, furniture, fixtures and equipment costs related to the historic building.

Ms. Mays noted that the renovations will include the design and construction of an annex to provide a new ADA compliant building entrance and space for community use.

The grant will also be used to perform restorations to the building's façade, renovations to the second floor historic performance space, updates to address fire safety and code issues, and complete site work and street and curb improvements.

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

Buffalo (Western New York Region – Erie County) – Buffalo Olmsted Parks Conservancy Capital ESDEDF – Buffalo Regional Innovation Cluster 17-18 (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Buffalo Olmsted Parks Conservancy a grant for a total amount not to exceed One Million One Hundred and Seventy Thousand Dollars (\$1,170,000) from the Buffalo Regional Innovation Cluster, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Colored Musicians Club Capital Buffalo Regional Innovation Cluster (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban

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

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

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

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

* * *

Next, the Chair called on Vincent Esposito, Director of ESD’s Finger Lakes Regional Office, to present the next three items on the Agenda for the Directors’ consideration.

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The first project Mr. Esposito presented, involved an Upstate Revitalization Initiative grant to Paychex, Inc. in the amount of \$2.5 million to be used to support the purchase and renovation of six buildings that will be consolidated into the Paychex campus in Henrietta in Monroe County.

Mr. Esposito explained that consolidating the campus will reduce Paychex’s real estate footprint from 11 different leases, but will continue to allow Paychex to grow in the Rochester area on the new campus.

Mr. Esposito further explained that Paychex currently has 5,345 employees statewide and is committed to creating 375 new jobs at this location with the funding.

Lastly, Mr. Esposito noted that ESD is also providing a related Excelsior award for the creation of up to 625 jobs over the next several years at this location. He further noted that the last six buildings will be occupied at the end of November.

The second item Mr. Esposito presented involved a Regional Council Capital award to OptiPro Systems, LLC in the amount of \$600,000.

Mr. Esposito explained that the grant will be used for the expansion of OptiPro’s existing manufacturing facility in the Town of Ontario, which will allow them to purchase land and expand their existing building by an extra 15,000 square-feet, to facilitate their business growth

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in optics, precision machining, tooling and computer-aided manufacturing.

Mr. Esposito noted that the project was completed in August and has exceeded its 14 job commitment with 18 new jobs being created.

The last item Mr. Esposito presented involved two Regional Council Capital Fund grants to Rochester Riverside Convention Center in the amount of \$3.3 million.

Mr. Esposito explained that the grants will be used to support renovations and upgrades to the Center, which is one of the largest upstate New York convention venues and is part of the ROC the Riverway Initiative, which aims to revitalize the Genesee River Corridor.

Mr. Esposito further explained that this is a three-phase project. He advised that the first phase was completed in September, and involved the expansion of the north terrace of the convention center.

Lastly, Mr. Esposito noted that the additional phases will expand ballroom capabilities and replace the escalators in the facility.

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

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Henrietta (Finger Lakes Region – Monroe County) – Paychex 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 Paychex 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 Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Paychex, Inc. a grant for a total amount not to exceed two million five hundred thousand Dollars (\$2,500,000) 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 Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

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Regional Council Award – Priority Project – Ontario (Finger Lakes Region – Wayne County) – OptiPro Systems 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 OptiPro Systems Capital - Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to OptiPro Systems, LLC a grant for a total amount not to exceed Six Hundred Thousand Dollars (\$600,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer Designate 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

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

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

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Regional Council Award – Priority Project – Ontario (Finger Lakes Region – Wayne County) – OptiPro Systems 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 OptiPro Systems Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – Rochester Riverside Convention Center 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 Rochester Riverside Convention Center 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 Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be

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it further

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to City of Rochester grants for a total amount not to exceed Three Million Three Hundred Thousand Dollars (\$3,300,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, the Chair called on James Fayle, Director of ESD’s Central New York Regional Office to present the next item on the Agenda for the Directors’ consideration.

Mr. Fayle explained that the Directors were being asked to approve a New York Works grant to 300 East Washington Street, LLC in the amount of \$2.5 million.

Mr. Fayle further explained that the grant will be used to support the redevelopment of

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a 337,000 square-foot, ten-story building into a mixed-use facility.

Mr. Fayle noted that the first floor will be used for commercial office space and the remaining floors will be residential units.

Lastly, Mr. Fayle noted that the project is scheduled to be completed in December.

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

Syrcause (Central New York Region – Onondaga County) – 300 East Washington Street Capital – New York Works (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 300 East Washington Street Capital -- New York Works (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the

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conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to 300 East Washington Street, LLC a grant for a total amount not to exceed two million five hundred thousand Dollars (\$2,500,000) from the New York Works, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

The Chair then called on Steve Gold, to present the next item on the Agenda for the Directors' consideration.

Mr. Gold explained that the Directors were being asked to approve \$2 million in working capital grants to ABC Studios for attracting the Quantico series to Queens and establishing a production training program for upstate film students.

Mr. Gold further explained that in early 2016, ABC was deciding whether to continue production of the Quantico series in Montreal, Canada or relocate to studios in New York.

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Mr. Gold noted that as a condition of the grant, ABC implemented a production assistant training program in coordination with an upstate college where students received experience with TV production in a studio environment.

Following the full presentation, the Chair called for questions or comments. Director Perales asked if all of the jobs created were linked to Quantico, Mr. Gold confirmed that they were.

Director Perales asked what happens to the jobs now that the series has ended. Mr. Gold explained that while the jobs were tied to this series, theoretically they could now go to other productions that are not part of this particular series.

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

Long Island City (Queens County) – ABC Studios Quantico Capital – New York Works and Empire State Economic Development Fund – General Development Financing (Working Capital Grants) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to American Broadcasting Companies, Inc. two grants for a total amount not to exceed Two Million Dollars (\$2,000,000) from the New York Works and 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 Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, the Chair called on Michael Reese, Director of ESD's Mohawk Valley Regional Office to present the next item on the Agenda for the Directors' consideration.

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Mr. Reese explained that the Directors were being asked to approve a Regional Council Award to the Resource Center for Independent Living, Inc. (“RCIL”) in the amount of \$300,000 to be used for a portion of the costs of construction and renovations at their new downtown location.

Mr. Reese further explained that RCIL provides high quality, person centered independent living services to more than 5,000 individuals per year in 48 of New York’s 62 counties. He stated that RCIL’s other primary service includes finding adequate employment opportunities for individuals with disabilities and from low income households.

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

Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Resource Center for Independent Living Relocation – 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 Resource Center for Independent Living Relocation - 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

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Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

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

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

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

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

* * *

Next, the Chair called on Christopher Ortiz to present the New NY Broadband Consent Calendar item on the Agenda for the Directors' consideration.

Mr. Ortiz explained that the Directors were being asked to approve the funding of four projects totaling \$10.8 million in State investments through the New York Broadband Program to be carried out by three service providers: Slic Networks Solutions, Frontier Communications

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and Hughes Network Systems.

Mr. Ortiz noted that these providers will offer broadband service to 4,900 previously unserved locations in the North Country region, that were previously allocated through a different service provider.

Mr. Ortiz explained that the previous provider alerted the Broadband office that it could not move forward with the projects due to issues it encountered with its initial network design. The Broadband office, once notified, moved quickly to terminate the offer and no State funding was issued.

The funding was reallocated to these three providers and as a result, all 4,900 locations continue to have access to broadband.

Following the full presentation, the Chair called for questions or comments. Director Perales asked if the cost had increased.

Mr. Ortiz stated that the cost has gone down because the Hughes Network Systems has a very low cost per location. He also noted that the prior award was \$11.5 million and is now \$10.8 million.

The Chair then called for any further questions or comments. Hearing none, and motion

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duly made and seconded, the following resolution was unanimously adopted:

New NY Broadband Program – Phase 3 Awards, New NY Broadband 2015-16 Capital Fund - Consent Calendar – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the New NY Broadband Program projects identified below (the “Projects”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

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

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

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New NY Broadband Program – 2015-16 Capital Fund

	Project Number	Grantee	Project Name	Project County	Region	Grant Amount
A.	132,949	Citizens Telecommunications Company of New York, Inc. (d/b/a Frontier Communications of New York)	Frontier Jefferson, Lewis, and Oneida Counties Unserved Broadband Capital	Jefferson, Lewis, and Oneida Counties	North Country and Mohawk Valley	\$6,000,000
B.	132,947	Slic Network Solutions, Inc.	Slic Phase 3 Clinton and Franklin Counties Unserved Broadband Capital	Clinton and Franklin Counties	North Country	\$4,434,173
C.	132,945	Hughes Network Systems, LLC	Hughes Herkimer, Jefferson, Lewis, Oneida, and St. Lawrence Counties Unserved Broadband Capital	Herkimer, Jefferson, Lewis, Oneida, and St. Lawrence Counties	North Country and Mohawk Valley	\$268,853
D.	132,946	Hughes Network Systems, LLC	Hughes Phase 3 Clinton, Franklin, and St. Lawrence Counties Unserved Broadband Capital	Clinton, Franklin, and St. Lawrence Counties	North Country	\$59,850

and be it further

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

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

* * *

The Chair then called on Simone Bethune to present the October Non-Discretionary Consent Calendar item on the Agenda for the Directors' consideration.

Ms. Bethune explained that the Directors were being asked to approve a grant to the Griffiss Local Development Corporation in the amount of \$500,000 to be used to help fund the construction of a new 31,410 square-foot two-story building located in Rome, New York.

Ms. Bethune noted that the space is being created for two growing tech companies: New York State Technology Enterprise Corporation, a non-profit technology consulting company; and Booz Allen Hamilton, a management and information technology consulting firm.

Ms. Bethune further noted that the project was completed in July 2019 at a cost of approximately \$1.8 million.

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

Local Assistance – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a

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Grant 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 “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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make grants to the party and for the amount listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Local Assistance – Senate – Project Summary Table

	Project Name	Project #	Grantee	Assistance up to
	Local Assistance (Base			

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	Retention)			
A.	Griffiss Air Force Base Retention 2018-2019 Capital	132,294	Griffiss Local Development Corporation	\$500,000
	TOTAL NON-DISCRETIONARY PROJECT - 1		TOTAL	\$500,000

and be it further

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

* * *

The Chair then called on Clayton Besch, Pravina Raghavan and Sharon Rutter respectively to present three New York State Innovation Venture Capital Fund (“NYSIVCF”) investments on the Agenda for the Directors’ consideration.

The first item presented by Mr. Besch, involved a co-investment of up to \$500,000 in Graphenix Development, Inc. in their current Series A round of \$4 million.

Mr. Besch explained that Graphenix is a Buffalo start-up which is a commercialized University of Buffalo IT founded to develop high energy ultra-capacitors in a growing market.

Next, Ms. Raghavan requested that the Directors approve a NYSIVCF investment of up to \$750,000 in Ride Health, Inc. in a Series C Convertible Preferred Stock.

Ms. Raghavan noted that Ride Health is a New York City based, women and minority

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funded software-company, that helps improve access to care for vulnerable patients and helps providers and insurers manage this population’s health.

Next, Ms. Rutter explained that the Directors were being asked to approve up to \$300,000 for a follow on investment in Kinolved, Inc.

Ms. Rutter further explained that Kinolved, Inc. is a three year old, New York based women led company that is galvanizing communities around student absenteeism.

Ms. Rutter noted that the company works with communities and school districts to fight chronic absenteeism and lateness through an approach that combines technology and human interaction.

The Chair asked how many of these types of investments are considered before they are brought to the board.

Ms. Raghavan noted that about 20 or 30 deals a month are looked at before being narrowed down to one to three to bring to the Board for approval.

Following the full presentation of all three investments, the Chair called for questions or comments. Director Perales asked when the portfolio of investments will be made available for review in order to see how ESD compares to other venture capital investors.

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Ms. Raghavan noted that at the beginning of October the Investment Advisory Committee reviewed the health portfolio. She noted that with the addition of the three recently presented projects there would be 32 companies in the ventures portfolio.

Ms. Raghavan offered to provide a spotlight presentation on the New York State Innovation Venture Capital Fund Program at a future Board meeting.

Director Gertler asked Ms. Raghavan to provide an update on the Data Dog investment.

Ms. Raghavan explained that in 1985, ESD did a direct investment with New York City in a company named Data Dog which has just gone public. She advised that ESD's investment of \$500,000 is estimated to yield a return of \$3 million.

Ms. Rutter noted that another company, Spin Car, received an investment of \$450,000 and ESD received \$3.5 million in return.

At this time, Director Perales noted he would recuse himself from the vote regarding Graphenix, Inc.

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

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NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – New York State Innovation Venture Capital Fund - Authorization of an Investment of NYSIVCF Funds in Graphenix Development Inc.

RESOLVED, that on the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, relating to the New York State Innovation Venture Capital Fund (the “Fund”), the Corporation is authorized to make an investment, in an amount not to exceed \$500,000, in Graphenix Development 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 Designate of the Corporation or his or her 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 Designate of the Corporation or his or her designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

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NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT - New York State Innovation Venture Capital Fund - Authorization of an Investment of NYSIVCF Funds in Ride Health, Inc.

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the New York State Innovation Venture Capital Fund (the “Fund”), the Corporation is authorized to make

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an investment, in an amount not to exceed \$750,000 in Ride Health (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 Designate of the Corporation or his or her 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 Designate of the Corporation or his or her designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT - New York State Innovation Venture Capital Fund - Authorization of an Investment of NYSIVCF Funds in Kinolved, Inc.

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the New York State Innovation Venture Capital Fund (the “Fund”), the Corporation is authorized to make an investment in an amount not to exceed \$300,000 in Kinolved, 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 Designate of the Corporation or his or her 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

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

* * *

The Chair then called on Kevin Younis to present a summary of the four Administrative Action items on the Agenda for the Directors' consideration.

Mr. Younis stated that the first item relates to the Roosevelt Island Tax Equivalency Payment Agreement which was being executed to support the expansion of affordable housing in the Roosevelt Landings Residential project.

The second item involved the authorization to enter into a marketing and promotional services contract with the New York Apple Association for the apple industry's related Market Order Program.

The third item Mr. Younis presented involved the authorization to enter into a contract for video conferencing services with Strategic Advantage International for three years.

The final item was an authorization to enter into a two-year contract, with an option for

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two one-year extensions, for marketing services with Lowe and Partners Worldwide d/b/a Campbell Ewald for an amount not to exceed \$100 million.

Mr. Newman added that Campbell Ewald has been ESD’s marketing services partner for the past four years and has done a good job in terms of the tourism and business marketing performance of ESD’s outreach.

Mr. Newman further added that in March a Request for Qualifications was submitted in the Contract Reporter and 24 responses were received. Of those received, four companies were interviewed and asked to submit a Request for Proposal (“RFP”).

Mr. Newman noted that once the RFP’s were reviewed by the Selection Committee, Campbell Ewald was found to be the most effective as well as the most cost effective.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – Roosevelt Island (New York City – New York County) – Roosevelt Landings Residential Project – Authorization to Amend Tax Equivalency Payment Agreement Upon Implementation of Affordability Plan for Roosevelt Landings Residential Project

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

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Project (the “Project”), the Corporation is authorized to enter into agreements and related documentation to effectuate an amendment to the Tax Equivalent Payment Agreement for the Project upon implementation of an Affordability Plan relating to the Project; and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his or here designee(s) be, and each of them hereby is, authorized to take such actions, including modifying the terms of such agreements and related documentation as he or she may deem necessary or appropriate to effectuate the foregoing resolutions.

* * *

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a Empire State Development – Contract for Marketing Services of the New York State Apple Industry Through the New York Apple Association – Authorization to Enter into a Contract with the New York Apple Association for Marketing Services of the New York State Apple Industry Relating to the Marketing Order Program; 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 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, Inc., in an amount not to exceed TWO MILLION, ONE HUNDRED THOUSAND DOLLARS (\$2,100,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer Designate 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.

* * *

NEW YORK STATE URBAN DEVELOPMENT d/b/a EMPIRE STATE DEVELOPMENT – Procurement of Video Conferencing Services - Authorization to Enter into a Contract for ESD Video Conferencing Services; and Authorization to Take Related Actions

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

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLVED, that the Corporation is hereby authorized to enter into a contract with SAIPR 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 Designate 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.

* * *

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – Authorization to Enter into a Contract for Marketing Services Including Advertising, Digital Marketing, Experiential Marketing, Public Relations, Media Planning and Buying Services, and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is 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 a contract with Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald New York, in an amount not to exceed One Hundred Million Dollars (\$100,000,000) over the initial two year term of the contract with option on the part of the Corporation to extend for two further periods of one year each, 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.

* * *

There being no further business, the meeting was adjourned at 10:21 a.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary

FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Statewide – Lake Ontario Business Resiliency Program

REQUEST FOR: Authorization to Adopt Program Guidelines; Delegation of Authority; and Authorization to Take Related Actions

I. Program Summary

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

ESD Investment: \$30 million to provide grants to eligible entities to undertake capital resiliency improvement projects designed to strengthen their operations against impacts from future flooding. Awards will reimburse 50% of the total cost of a project, with a minimum award of \$10,000 up to a \$200,000 maximum.

Locations: Eligible locations in the vicinity of covered waterways, including Lake Ontario, St. Lawrence River, Seneca Lake, Seneca River, Oswego River, Oneida River, Oneida Lake and Cross Lake within the Counties of Niagara, Orleans, Monroe, Wayne, Cayuga, Oswego, Jefferson and St. Lawrence.

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

Eligible Cost Date: After January 1, 2019

Anticipated

Approp. Source: Capital Projects Fund

II. Program Description

A. Background

The Lake Ontario Business Resiliency Program (the "Program") is a \$30 million state program administered by ESD to provide financial assistance to entities affected by high water levels in the vicinity of Lake Ontario, the St. Lawrence River, Seneca Lake, the Seneca River, the Oswego

River, the Oneida River, Oneida Lake and Cross Lake.

B. Grant Description

Private businesses; not for profits; farms; owners of multiple dwellings; and homeowners associations impacted by flooding of covered waterways may be eligible for grants up to \$200,000 to undertake capital improvement resiliency projects designed to strengthen the entities against impacts from future flooding. Such projects will reduce the entity's vulnerability to risks experienced during high water events, prevent permanent damage, and improve its ability to withstand and quickly recover from extreme weather events. Each project must also receive a local matching contribution.

Grants may cover projects which either have not or will not be compensated by any other federal, state, or local recovery program or any third-party payors (other than any local matching contribution). Program assistance will be calculated at fifty percent (50%) of total resiliency project costs, with a minimum award eligibility amount of \$10,000 up to the maximum award of \$200,000 per project. In order to be eligible for Program assistance, the applicant must have sustained direct physical flood-related damage at the time of the flooding or possess a demonstrated vulnerability to future flooding.

III. Program Guidelines

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

IV. Delegation of Authority

Since the Governor's declaration of a State Disaster Emergency as effective on May 20, 2019, entities in the covered waterways affected by the floods have been struggling to survive and recover from flood related losses. In the interest of responding to their needs and to implement this program as swiftly and effectively as possible, the Board is asked to delegate to the President and Chief Executive Officer of the Corporation or his designee(s) the authority to, 1) accept applications for grants; 2) make any necessary findings or take any necessary action that the Corporation may be required to take under the New York State Urban Development Corporation Act and other applicable law and regulations to effectuate the program; and 3) amend these guidelines from time to time as may be advisable to address program needs.

V. Environmental Review

ESD staff has determined that the requested authorization to adopt the Lake Ontario Business Resiliency Program guidelines constitutes a Type II action as defined by the New York State

Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization. Prior to the approval of grants for individual projects, any applicable environmental review will be completed pursuant to SEQRA.

VI. ESD Employment Enforcement Policy

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

VII. Contractor and Supplier Diversity

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified Minority and Women-owned Business Enterprises (“MWBE”) and Service Disabled Veteran-Owned Businesses (“SDVOB”) in the performance of ESD projects and procurements. The Grantees shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve MWBE/SDVOB participation, as established by ESD. In addition, ESD’s Equal Employment Opportunity Policy will apply to these projects. Specific goals will be analyzed and established on a grant by grant basis.

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

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

IX. Requested Actions

The Directors are requested to authorize the Lake Ontario Business Resiliency Program; adopt program guidelines and authorize the President and Chief Executive Officer or his designee, to amend such guidelines from time to time; delegate to such officer or his designee(s) the authority to make any necessary findings or to take any necessary action that the Corporation may be required to take under the New York State Urban Development Corporation Act (the “Act”) and other applicable law and regulations; and authorize the taking of all related actions necessary or appropriate to effectuate the foregoing.

X. Additional Submissions to Directors

Resolutions

Lake Ontario Business Resiliency Program Guidelines

Statewide – Lake Ontario Business Resiliency Program – Authorization to Adopt Program Guidelines; Delegation of Authority; and Authorization to Take Related Actions

RESOLVED, that the Corporation hereby authorizes creation of the Lake Ontario Business Resiliency 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 Designate 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 Designate of the Corporation or his designee(s) is hereby authorized to accept grant applications pursuant to the Program in accordance with the Guidelines and these Materials and to take such other actions as are necessary to effectuate the purposes of the Program; and be it further

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

* * *

Guidelines For
Financial Assistance

**Lake Ontario
Business Resiliency Program**



State of New York
Andrew M. Cuomo, Governor

Empire State Development

Approved by the Empire State Development Board of Directors on:

November 21, 2019

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I. Overview

The Lake Ontario Business Resiliency Program (the “**Program**”) is a State program administered by the New York State Urban Development Corporation d/b/a Empire State Development (“**ESD**”). Section 1 of Chapter 54 of the Laws of 2019 includes \$30 million that ESD may use to provide financial assistance (“**Program Assistance**”) to reimburse up to 50% of the costs of resiliency-related capital improvement projects (“**Resiliency Projects**”) with a minimum award eligibility amount of \$10,000 up to a maximum award amount of \$200,000 that are undertaken by eligible businesses, not for profit organizations, farms, homeowners associations, and owners of multiple dwellings (“**Eligible Entities**”) that sustained documented direct physical flood-related damage, including but not limited to damages from inundation, erosion and wave action (“**Flood Damage**”) between January 1, 2019, and October 31, 2019, (“**Recovery Period**”) as a result of severe flooding and raised water levels in the vicinity of Lake Ontario, the St. Lawrence River, the Seneca River, the Oswego River, the Oneida River, Oneida Lake or Cross Lake (“**Covered Waterways**”) at sites located in the following counties: Niagara, Orleans, Monroe, Wayne, Cayuga, Oswego, Jefferson or St. Lawrence (“**Coverage Area**”). If sufficient Program Assistance is available, ESD may elect to award Program Assistance to Eligible Entities with a demonstrated vulnerability (“**Demonstrated Vulnerability**”) to future potential Flood Damage and other impacts of extreme water levels.

The Program has been developed to support the 2019 Resiliency and Economic Development Initiative (**REDI**), which was created in response to the extended pattern of flooding along the shores of Lake Ontario and the St. Lawrence River. REDI intends to address the immediate and long-term resiliency needs of these areas while also enhancing economic development opportunities and health of the lake, and the Lake Ontario Business Resiliency Program is intended to support this purpose, which aligns with ESD’s mission.

II. Program Assistance

Eligible Entities that are awarded Program Assistance will receive a grant reimbursing up to 50% of the costs of approved Resiliency Projects, with a minimum award eligibility amount of \$10,000 up to a maximum award amount of \$200,000.

As a condition of receiving Program Assistance, Eligible Entities must also receive a local matching contribution (“**Local Matching Contribution**”) totaling at least 5% of the Program Assistance funds. By way of example, a Resiliency Project that cost \$100,000 may be eligible for up to \$50,000 in Program Assistance. Under this example, the applicant must apply for and receive at least \$2,500 in Local Matching Contributions (e.g., a sales tax exemption on construction materials or a property tax abatement valued at \$2,500 over time). In calculating the total cost of a Resiliency Project for reimbursement, ESD will include total documented eligible costs (“**Eligible Costs**”). If an applicant is deemed to be conditionally eligible for Program Assistance based on their application, then ESD will provide further guidance to the applicant in terms of securing their Local Matching Contribution.

To receive Program Assistance, Resiliency Projects must not have been compensated by any other federal, State or local recovery program (other than the Local Matching Contribution), or

any third-party payors. If the Eligible Entity sells the property that is the site of the Resiliency Project, any award of Program Assistance shall be non-transferable.

Notwithstanding the foregoing, in cases where multiple Eligible Entities are applying for Program Assistance for a Resiliency Project at the same location, ESD may elect to collectively award the Eligible Entities not more than a maximum of \$200,000 in total Program Assistance.

III. Program Eligibility

A. Eligible Entities

1. Eligible Entities must be located in the Coverage Area, with priority given to entities that have sustained Flood Damage during the Recovery Period due to high water levels in a Covered Waterway. Eligible Entities shall include:
 - (i) a for-profit business entity or a not-for-profit organization established under Sections 501(c), 501(e), 501(f), 501(k), 501(n) or 521(a) of the Federal Tax Code that is not involved in religious or political activities and that is not excluded as an Ineligible Entity; **or**
 - (ii) a farm that is or is part of, the land and on-farm buildings, equipment, manure processing and handling facilities, and practices, which contribute to the production, preparation and marketing of crops, livestock and livestock products as a commercial enterprise, including a "commercial horse boarding operation," a timber operation, "compost, mulch or other biomass crops" and "commercial equine operation," as such terms are defined in Section 301(11) of the New York Agriculture and Markets Law. Such farm operation may consist of one or more parcels of owned or rented land, which parcels may be contiguous or noncontiguous to each other, and it is used for raising, cultivating, propagating, fattening, grazing, or any other farming or livestock operations and the land, improvements, structures, and buildings (excluding buildings used for residential purposes that are not Eligible Multiple Dwellings) are used or occupied to carry out such operations, including land set aside or retired under a federal supply management or soil conservation program; **or**
 - (iii) the owner of a dwelling that (i) is not owner occupied or a second home, is operated as a business and is either rented, leased, or hired out for occupancy; or (ii) the owner of an owner-occupied residence in which five or more families live independently of each other (a "**Multiple Dwelling**"); **or**
 - (iv) an organization created for the purposes of developing and managing a group of homes, town homes and/or condominium units with the authority to enforce the covenants, conditions and restrictions as well as manage the common elements of the development (a "**Homeowners Association**").
2. All Eligible Entities must also:
 - (i) currently own or lease the Resiliency Project site and, if leased, possess the necessary rights or permissions from the owner that enables the Eligible Entity to make relevant capital repairs and improvements; **and**

- (ii) have acquired its ownership or leasehold prior to or during the Recovery Period; **and**
 - (iii) be current on its tax obligations; **and**
 - (iv) have a Federal Employer Identification Number (EIN; applicable to most businesses, not-for-profit organizations, farms and homeowners associations) or Social Security Number (for owners of multiple dwellings, sole proprietors and those operating under a DBA) for IRS form W-9 purposes.
3. The owner of a Multiple Dwelling shall be an Eligible Entity if the Multiple Dwelling is current on its tax obligations and the owner of the Multiple Dwelling is current on their tax obligations for the documented rental income. ESD may require owners of Multiple Dwellings to certify that no families are to be displaced by the Resiliency Project for the Multiple Dwelling or that there is a feasible method for the relocation of families and individuals displaced from the Multiple Dwelling into decent, safe and sanitary dwellings, which are or will be provided in the same area or in other areas not generally less desirable in regard to public utilities and public commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places or employment.
4. A Homeowners Association shall be an Eligible Entity if it commonly owns and is responsible for the maintenance of surrounding property and amenities such as lawns, green belt areas, recreational facilities and private roads, and the proposed project pertains to these commonly owned areas as opposed to individual homes or properties.

B. Eligible Costs

All project costs must be related to achieving Resiliency Project requirements as outlined in *Attachment 1* to this document. ESD will determine a Resiliency Project's Eligible Costs in its sole discretion and may exclude costs as ineligible based on factors that may include, but not limited to: insufficient documentation; non-capital expenses; costs unrelated to resiliency; or untimely costs.

C. Ineligible Entities and Contractors

Entities engaged in lobbying, religious or political activities are ineligible for Program Assistance.

ESD may consider any entity that would otherwise be an Eligible Entity as an entity ineligible to receive Program Assistance if ESD deems such consideration to be in the public interest.

An Eligible Entity cannot receive Program Assistance for labor costs performed by its respective owner or owner's immediate family members regardless of whether the labor was performed as a contractor. A contractor, or his/her immediate family members cannot receive Program Assistance for labor costs performed on a property that s/he owns. Immediate family is defined as a spouse, son, daughter, stepson, stepdaughter, father, mother, stepfather, stepmother, brother,

sister, grandfather, grandmother, grandson, granddaughter, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law or daughter-in-law.

D. Resiliency Projects

Resiliency is the capacity to withstand extreme events and other forces or risks; quickly recover the social, economic, and/or ecological structure and function in the aftermath of a disaster; and adapt to changing environmental conditions and forces. Eligible Resiliency Projects must meet resilience guidelines provided and must reduce vulnerability of an identified asset to a risk or risks experienced during the Covered Waterway high water event (e.g., flooding, erosion), preventing permanent damage and loss of function to the identified asset.

Additional guidance regarding Resiliency Projects may be found in *Resiliency Project Requirements* included within *Attachment 1* to these Guidelines.

E. Local Matching Contribution

Local Matching Contributions acceptable to ESD may include, but not be limited to, tax abatements and exemptions offered by Industrial Development Authorities, local government waivers of the costs of ordinarily due permits and fees, and direct expenditures by local governments on project-related infrastructure costs.

IV. Application

A. Application Submission

Program applications (“**Applications**”) will be accepted continuously through **January 31, 2020**. A complete Application package must be mailed to:

Empire State Development
Attn: Lake Ontario Business Resiliency Program
625 Broadway
Albany, NY 12245

An Eligible Entity should submit one complete Application when all documentation can be established as described in the Application.

Additional documentation may be requested as ESD deems necessary.

Applications will be accepted continuously, and all Applications must be postmarked by January 31, 2020. Applications postmarked after such date may be rejected by ESD. Based on interest in the program and the availability of program funds, the deadline for submission of Applications may be extended by ESD at its discretion.

B. Application Review

Applications will be reviewed on a first come, first served basis until funding is exhausted. ESD may give preference to Eligible Entities that demonstrate the greatest need or Resiliency Projects

that were identified by a REDI Regional Planning Committee. All payments will be made by electronic transfer. In accordance with IRS regulations, all Program Assistance disbursed will be reported by ESD to the IRS and ESD shall mail a Form 1099 to the Program Assistance recipient, at the address provided in the application.

For Applications deemed eligible for Program Assistance, Eligible Applicants will receive a conditional award letter from ESD indicating that, subject to the completion of the Resiliency Project and additional terms and conditions, which may require entering into a Grant Disbursement Agreement (GDA) with ESD, the Eligible Applicant may expect to receive Program Assistance.

V. Terms and Conditions

A. Permits

Prior to any commitment of Program Assistance by ESD, all Resiliency Projects will still need to receive all relevant federal, State and local permits and authorizations. Applicants are strongly encouraged to review the information on the Department of Environmental Conservation (DEC)'s website at: <https://on.ny.gov/rediguide>, including the "Great Lakes and St. Lawrence River Coastal Development Fact Sheet" (PDF) at: https://www.dec.ny.gov/docs/water_pdf/rediguide101819.pdf.

B. Program Assistance Recapture

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

- a) if its Application, including any information provided therewith or thereafter, contains any material misrepresentations or is incomplete;
- b) if the Program Assistance was awarded or disbursed in error and the Eligible Entity is not entitled to Program Assistance under these Guidelines; or
- c) if supporting documentation is not true and/or complete.

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

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

C. Audit and Control

ESD may conduct site visits and audit Applications on a random or specified basis for a period extending to three years after the final disbursement of the Program Assistance to the Eligible Entity. ESD reserves the right to contact insurance companies and other federal, state and local

governmental agencies to confirm information included, or that should have been included, in the applications.

D. Disclosure of Information

Each Eligible Entity must agree to allow:

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

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

E. Availability of Funds

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

F. Non-Discrimination

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

G. Minority and Women Owned Business Enterprises/Contractor and Supplier Diversity

ESD is required to comply with and implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 140-145 (MWBE Regulations) for all State contracts as defined therein, with a value (1) in excess of \$25,000 for labor, services, equipment, materials, or any combination of the foregoing; or (2) in excess of \$100,000 for real property renovations and construction. In accordance with the requirements of Article 15-A of the New York State

Executive Law, all Resiliency Projects awarded Program Assistance shall be reviewed by ESD's Office of Contractor and Supplier Diversity ("OCSD"), which will, where applicable, set Minority and Women-owned Business Enterprise ("MWBE") participation goals. Such goals shall typically be included in the award letter or other contemporaneous communication from OCSD with respect to these requirements.

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

H. SEQRA, SHPO, Smart Growth Act

Applicant understands that any Program Assistance awarded as a result of the Application may be subject to:

- a) The provisions of Article 8 of the Environmental Conservation Law and its implementing regulations under Title 6 NYCRR Part 617 as it relates to the State Environmental Quality Review Act (SEQRA);
- b) The provisions of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law; and
- c) The provisions of Article 6 of the Environmental Conservation Law the State Smart Growth Public Infrastructure Policy Act (Smart Growth Act).

I. Amendments to Guidelines

ESD may amend these guidelines from time to time.

J. Additional Information

Eligible Entities can access the Application form and instructions, these Guidelines, any amendments to these Guidelines and additional information at the Program web site at <https://esd.ny.gov/lake-ontario-business-resiliency-program>. Information can also be obtained by calling (518) 292-5100 and referencing the Program or by emailing LakeOntario@esd.ny.gov.

ATTACHMENT 1

Lake Ontario Business Resiliency Program - Resiliency Project Requirements

Resiliency Project Requirements

To be eligible to receive Program Assistance, project costs must be related to achieving Resiliency Project requirements. ESD will determine a Resiliency Project's Eligible Costs in its sole discretion and may exclude costs as ineligible based on factors that may include, but not be limited to: insufficient documentation; non-capital expenses; costs unrelated to resiliency; or untimely costs. In-kind services are not Eligible Costs.

The applicant should clearly describe how the project meets one or more of the following listed resiliency components:

- Accommodating varying water levels without losing function. A project that is designed only for a high-water environment will not function properly during low water events. Consider the difference between a fixed dock that is underwater during high water versus a floating dock that can move vertically as water levels fluctuate.
- Incorporating natural features into the design or otherwise using non-structural components that avoid/minimize impacts to natural processes (e.g., sediment movement) and habitats. A vegetative buffer can provide habitat benefits in addition to risk reduction benefits without negatively impacting natural processes.
- Including design elements that allow for modifications to changing conditions. For example, while a project may be designed to withstand the flooding experienced in 2019, it could also include room for expanding the project landward or vertically to address potentially higher levels.
- relocating structures above the maximum high-water levels reached in 2019 or even further landward. A proposed project that removes an asset such as a fueling facility out of a hazardous area is considered a highly resilient approach.

Resiliency Projects that have clear resiliency components include:

- Elevating and or moving, landward, non-water dependent features such as offices, restrooms, stores, restaurants, parking or boat storage;
- Raising/relocating fueling facilities;
- Converting to floating docks or other docks that allow for movement with water levels (adapted to both high and low water) such that docks can raise to a minimum elevation;
- Strengthening existing dockage by evaluating and strengthening connection points between dock sections (typically the weakest point in a dock's design); and
- Retaining and/or creating vegetated buffers along the waterfront.

There are some capital projects that require additional analysis due to their complexity and potential impacts on adjacent areas. These projects or project elements may be required to

include an alternatives analysis to better understand the resilience potential and to minimize negative impacts. An alternatives analysis should consider the following options: no action, non-structural measures, natural and nature-based features, and if none of the other alternatives are feasible, hard structural measures should be assessed (see the Great Lakes and St. Lawrence River Coastal Development Fact Sheet https://www.dec.ny.gov/docs/water_pdf/rediguide101819.pdf).

Projects in the below categories will require further consultation with ESD or its partnering agencies prior to being deemed complete and receiving Program Assistance:

- All shoreline stabilization projects require an understanding of design, site conditions, and possible alternatives. For example, a bulkhead is not adaptable and although it may address higher water levels, it may interrupt natural processes and may create additional risks to adjacent areas.
- Projects that address landside stormwater/drainage impacts may reduce flooding risk for an individual property but transfer the risk to an adjacent property if not properly designed.
- Stormwater and septic system reinforcement similarly require a design that addresses varying water levels to allow for proper treatment and discharge.

FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Buffalo (Western New York Region – Erie County) – Lactalis American Group, Inc. – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Lactalis American Group, Inc. (the “Lactalis” or the “Company”)

ESD* Investment: A grant of up to \$632,728 to be used for a portion of the cost of construction, renovation and the purchase of machinery and equipment

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

Project Location: 2376 South Park Avenue, Buffalo, Erie County

Proposed Project: Upgrade and modernize the Company’s facilities and purchase and install new machinery and equipment in order to expand production capacity

Project Type: Business expansion involving job retention

Regional Council: The Western New York Regional Economic Development Council has been made aware of this item. The project is consistent with the Western New York Regional Economic Development Council’s plan to add to the revitalization of industrial development in South Buffalo and contribute to the local and regional economics as it includes significant capital investments and retains jobs.

Employment:	Initial employment at time of Application to ESD:	569
	Current employment level:	569
	Minimum employment through January 1, 2024:	569

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$2,822,318
Machinery and Equipment	<u>8,355,723</u>

Total Project Costs \$11,178,041

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$632,728	6%
Company Equity	<u>10,545,313</u>	<u>94%</u>

Total Project Financing \$11,178,041 100%

III. Project Description

A. Company

Industry: Manufacturer of dairy products

Company History: The Company is a U.S. company located in the City of Buffalo. It is part of Group Lactalis, a global group of family owned companies in Laval, France. Lactalis began in the U.S. in the early 1980's when it established an import/export office with three employees in New York City. Since then it has acquired manufacturing facilities across the U.S. beginning with its first production plant outside France in Belmont, Wisconsin. Today Lactalis operates its corporate headquarters in the City of Buffalo, where it supports nine dairy manufacturing facilities located across the U.S. The Buffalo manufacturing facilities are the largest producer of ricotta cheese world-wide and Lactalis's second largest facility in the U.S. The U.S. family of companies produce dairy products, including cheese yogurt, whey, and fluid milk.

Ownership: Lactalis American Group, Inc. is 100% owned by LAG Holding, Inc. which is a subsidiary of Parmalat S.p.A., an Italian company, owned by Groupe Lactalis.

Size: Lactalis American Group operates its corporate headquarters in Buffalo, New York, where it supports nine dairy manufacturing facilities located across the U.S. including facilities in Idaho, Wisconsin, California, New Hampshire, Vermont and Arizona. The Company has over 2500

employees in the U.S.

Market: Lactalis operates in the retail, food service, and private label sectors. Among its major products are Mozzarella, Ricotta, String Cheese, Feta, Provolone, Brie, Gourmet Spreadable cheese, with a mix of organic and conventional products. Within the dairy market categories, Lactalis has leading market share in brie, gourmet spreadables, ricotta and mozzarella. Lactalis is a strong competitor in yogurt and feta cheese and is growing exponentially in market share for string cheese and provolone. Lactalis has many major retailers as customers, including but not limited to Walmart, Costco, Kroger, Alberston/Safeway, Ahold/Delhaize, Publix, and Wegmans and is striving to become one of the top U.S. competitors in the dairy industry. The Company's top dairy competitors are Saputo, Savencia, Poly'O and Chumy (both subsidiaries of Kraft).

ESD Involvement: Lactalis came to ESD in 2017 seeking assistance to expand production capacity. Without ESD assistance to lower costs and make the Company's facility competitive with Lactalis's location in Idaho and Wisconsin, the cost would have been too high to make the project feasible in New York and the investments would have been made elsewhere. ESD's offer of assistance, which included a \$632,728 capital grant and up to \$344,865 in Excelsior Jobs Program tax credits, was critical in the Company's decision to keep operations in New York.

Competition: Idaho, Wisconsin

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

B. The Project

Completion: August 2019

Activity: The capital investment in the manufacturing facility was primarily used to replace and upgrade a mozzarella production line in the Buffalo cheese plant. This required making upgrades to infrastructure, utilities, roof, flooring, raw material storage, and other lines to permit process line integration.

Results: Retain 569 existing jobs.

Grantee Contact: Ms. Suzanne Risman, General Counsel
2376 South Park Avenue
Buffalo, NY 14220
Phone: 716-823-6262, ext. 1405
E-mail: Suzanne.risman@lactalis. us

ESD Project No.: AA399

Project Team:	Origination	Ray Witzleben
	Project Management	Nicholas Sarchioto
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Timothy Anderson
	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 \$632,728 (\$6,327) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. 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.
4. Up to \$632,728 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$316,364) will be disbursed upon documentation of project costs totaling \$5,589,000 and documentation of the employment of at least 569 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of 25% of an amount equal to the grant (\$158,182) will be disbursed no sooner than 12 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 569 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$158,182) will be disbursed no sooner than 24 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 569 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 15, 2017, to be considered eligible project costs. All disbursements must be requested by April 1, 2022.

- 5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$632,728 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 6. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	569
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A	B
Date	Employment Goals
February 1, 2020	569
February 1, 2021	569
February 1, 2022	569
February 1, 2023	569
February 1, 2024	569

IV. Statutory Basis

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Company will maintain its employment level of 569.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance to lower costs and make the Company’s facility competitive with one in Idaho and Wisconsin , the cost would have been too high to make the project feasible in New York.

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

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 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 one-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$34,237,470;

- Fiscal cost to NYS government is estimated at \$915,924;
 - Project cost to NYS government per direct job is \$2,053;
 - Project cost to NYS government per job (direct plus indirect) is estimated at \$948;
 - Ratio of project fiscal benefits to costs to NYS government is 37.38:1;
 - Fiscal benefits to all governments (state and local) are estimated at \$59,552,068;
 - Fiscal cost to all governments is \$915,924;
 - All government cost per direct job is \$2,053;
 - All government cost per total job is \$948;
 - The fiscal benefit to cost ratio for all governments is 65.02:1;
 - Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$457,755,050, or \$473,766 per job (direct and indirect);
 - The economic benefit to cost ratio is 499.77:1;
 - Project construction cost is \$2,822,318, which is expected to generate 23 direct job years and 15 indirect job years of employment;
 - For every permanent direct job generated by this project, an additional 1.17 indirect jobs are anticipated in the state's economy;
 - The payback period for NYS costs is one year.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Benefit-Cost Analysis

Project Finance Memorandum

November 21, 2019

Buffalo (Western New York Region – Erie County) – Lactalis American Group, Inc. – 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 Lactalis American Group, Inc. -- 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 Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Lactalis American Group, Inc. a grant for a total amount not to exceed Six Hundred Thirty Two Thousand and Seven Hundred Twenty Eight Dollars (\$632,728)

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

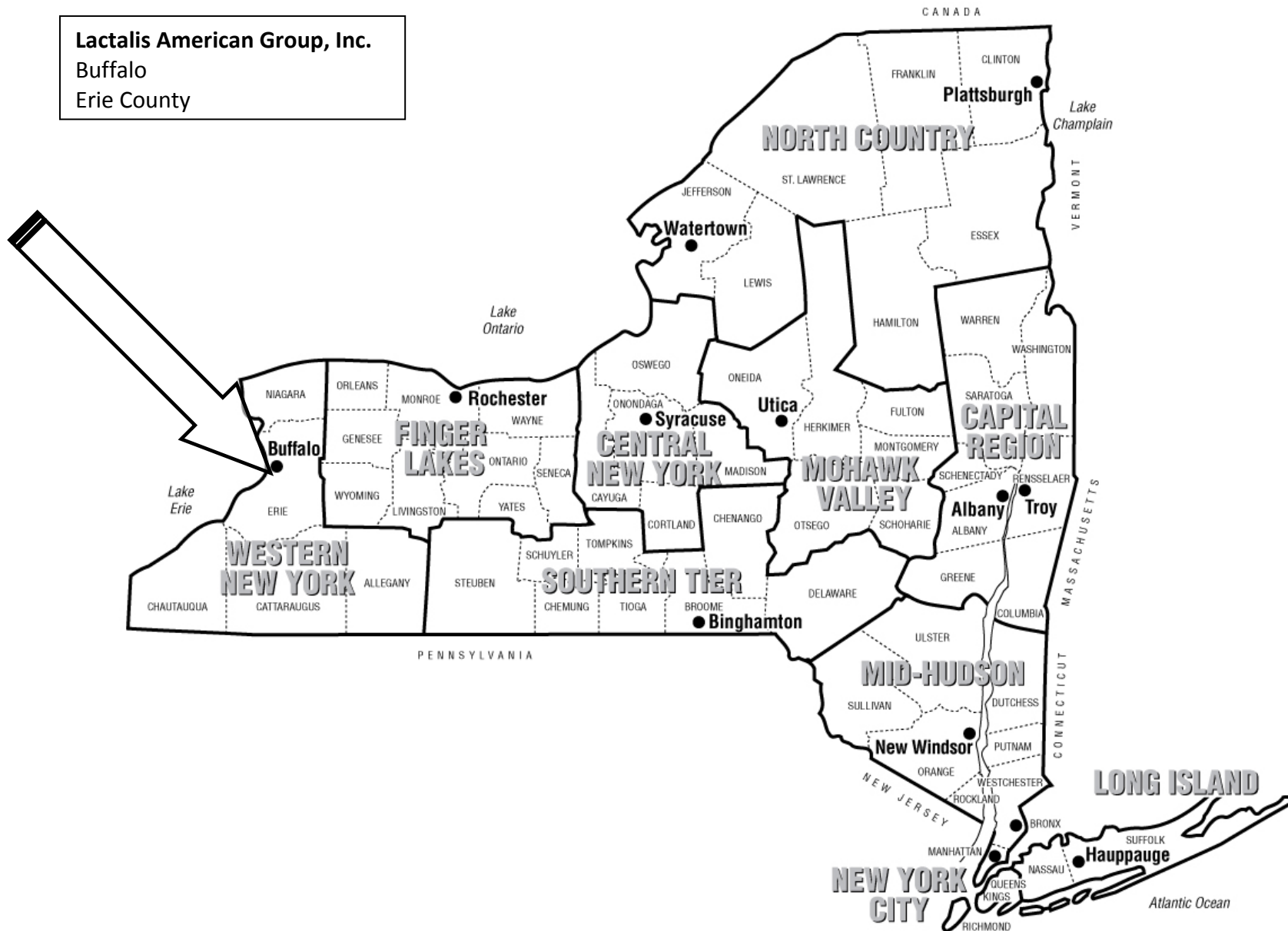
RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate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

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

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

* * *

Lactalis American Group, Inc.
Buffalo
Erie County



Project Summary Benefit-Cost Evaluation¹

Lactalis American Group, Inc. – Business Investment

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

Initial Jobs:	569	Construction Job Years (Direct):	23
New Jobs:	0	Construction Job Years (Indirect):	15

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$915,924	\$794,250	\$915,924	\$1,020,500
Fiscal Benefits⁴	\$34,237,470	\$2,085,600	\$59,552,068	\$4,271,980
Fiscal Cost /Direct Job	\$2,053	\$3,000	\$2,053	\$4,110
Fiscal Cost/Total Jobs	\$948	\$1,424	\$948	\$1,964
Fiscal B/C Ratio	37.38	7.00	65.02	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$457,755,050	\$119,468,000		
Econ. Benefits/Total Jobs	\$473,766	\$147,600		
Economic B/C Ratio	499.77	75.00		

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

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

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

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

⁵ 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

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Jamestown (Western New York Region – Chautauqua County) – City of Jamestown Working Capital – New York Work Economic Development Fund (Working Capital Grant)

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

I. Project Summary

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

ESD* Investment: A grant of up to \$1,000,000 to be used for a portion of operating costs and administration for economic development projects

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

Project Location: Jamestown, Chautauqua County

Proposed Project: Funding for Economic Development Planning/Support Services, Debt Service on downtown Public Works project and administration/salaries.

Project Type: Economic Growth Investment

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

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Administrative/Staff Support for Jamestown Urban Renewal Agency (2018-19)	\$685,000
Interest/Debt Service Costs for Tracy Plaza Phase 2 Reconstruction Project (2018-19)	\$105,000
Administrative/Staff Support for City of Jamestown Economic Development Projects	\$210,000
Total Project Costs	<u>\$1,000,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$1,000,000</u>	<u>100%</u>
Total Project Financing	<u>\$1,000,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Municipality

Grantee History: The City of Jamestown, incorporated in 1886, is located on the southern tip of Chautauqua Lake in southern Chautauqua County, approximately 60 miles south of Buffalo. Today, the City is home to around 31,146 people. This project supports the City's Downtown Jamestown Community Development Plan that addresses the revitalization of the downtown business district.

Ownership: Municipality

Size: The City is 9.1 square miles in area, has a population of approximately 31,146 residents.

ESD Involvement: ESD is proposing to award \$1,000,000 in financial assistance from the New York Works Economic Development fund to continue to support Jamestown's planned community and economic development initiatives.

Competition: N/A

Past ESD Support: Funding totaling \$3,140,000 over the past five years to the Grantee is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Restore NY Comm. 08-09	W797	\$1,000,000	June 28, 2011	March 31, 2016	Capital – Demolition & renovation of former Dahlstrom Metallic Co. Buildings.
Buffalo Regional Innovation Cluster 17-18	AC343	\$1,000,000	November 16, 2017	November 8, 2018	Working Capital
New York Works EDF '17-'18	132,357	\$1,000,000	December 6, 2018	December 31, 2019	Working Capital
Regional Council Capital Fund – Round 7	AC509	\$140,000	August 15, 2019	December 31, 2020	Capital

B. The Project

Completion: December 2019

Activity: The project involves a funding initiative that will include working capital assistance for the City to finance (1) Administration of the Jamestown Urban Renewal Agency (“JURA”) that provides a variety of code enforcement, housing/neighborhood renewal activities, planning, and economic development services; (2) debt service payments that were part of the financing package for Tracy Plaza Phase 2 Reconstruction Project, which involves a multi-million dollar initiative to reconstruct/rehabilitate the elevated plaza entrance to the Jamestown Municipal Building; and (3) Administration/Salaries of work performed on various economic development projects done by City of Jamestown employees.

Results: The funding for JURA services and City staff will contribute to the City

being able to maintain the safety of the City and improve the quality of life for all of its residents. This will include proper enforcement of life and safety codes, upgrading the environment within the City's neighborhoods, rebuilding infrastructure, and stimulating the retention and creation of jobs in the industrial, service, and commercial sectors. The assistance to help pay down the debt service for the Tracy Plaza reconstruction will help facilitate a major rehabilitation effort, implement "green" energy conservation improvements, and realize an outdoor assembly venue for hosting downtown events, all of which is complementary to a number of other downtown developments and considered to be a key initiative in advancing the City's overall Downtown Urban Design Plan.

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: Mr. Joseph Bellitto, Comptroller
 Municipal Building, 200 East Third Street
 Jamestown, NY 14701
 Phone: (716) 483-7775
 E-mail: bellitto@cityofjamestownny.com

ESD Project No.: 133,029

Project Team:	Origination	Amanda Mays
	Project Management	Nancy Burkhardt
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
2. Up to \$1,000,000 will be disbursed to the Grantee for working capital purposes, upon completion of the project substantially as described in these materials and documentation of project costs totaling \$1,000,000, assuming that all project approvals have been completed and funds are available.

Payment will be made upon presentation to ESD of an invoice and such other

documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after January 1, 2018 and no later than December 31, 2019 to be considered eligible project costs. All disbursements must be requested by June 30, 2020.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – New York Work Economic Development Fund

The funding was authorized or reappropriated in the 2019-2020 New York State budget. No residential relocation is required as there is no displacement associated with this funding initiative.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolution

New York State Map

Project Finance Memorandum

November 21, 2019

Jamestown (Western New York Region – Chautauqua County) – City of Jamestown Working Capital – New York Works Economic Development Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

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 Jamestown Working Capital – New York Works Economic Development 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 President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the City of Jamestown a grant for a total amount not to exceed One million Dollars (\$1,000,000) from the 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 Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

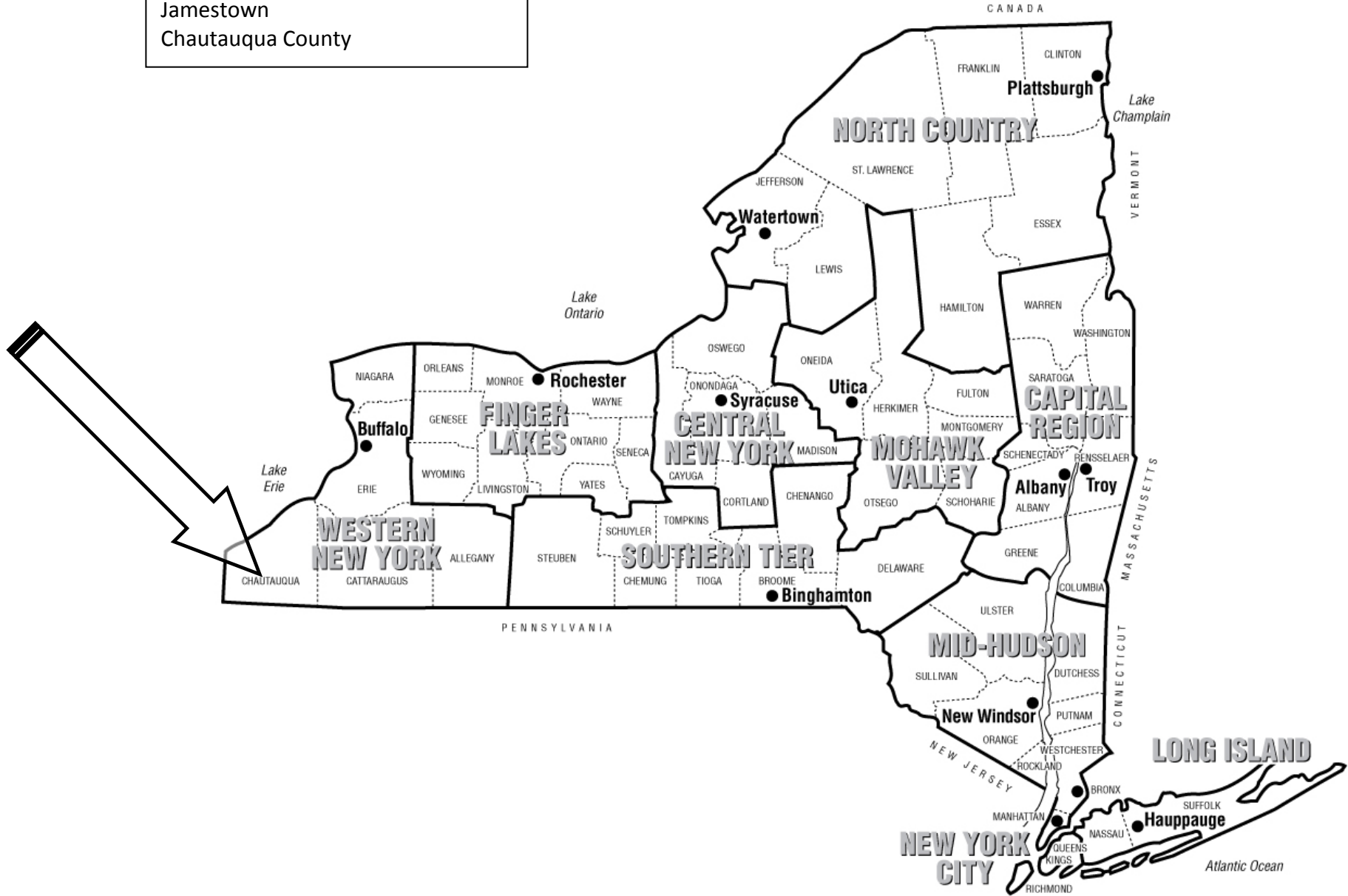
RESOLVED, that the President and Chief Executive Officer Designate or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

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

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

* * *

City of Jamestown Working Capital
 Jamestown
 Chautauqua County





FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award – Union Springs (Central New York Region – Cayuga County) – Du Mond Grain Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Du Mond Grain, LLC (“Du Mond Grain” or the “Company”)

ESD* Investment: A grant of up to \$655,000 to be used for a portion of the cost of machinery and equipment

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

Project Location: 5083 White Road, Union Springs, Cayuga County

Proposed Project: Construct and equip a new facility, storage silos, and a barn to increase soybean production and processing

Project Type: Business expansion involving construction, job retention, and creation

Regional Council: The project is consistent with the Central New York Regional Economic Development Council Plan to strengthen the region’s agribusiness sector by meeting the growing global demand for safe and high-quality food and nutrition.

Employment:	Initial employment at time of ESD Incentive Proposal:	10
	Current employment level:	30
	Minimum employment on January 1, 2022:	30

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Machinery & Equipment	\$3,745,935
Furniture Fixtures, and Equipment	35,454
Electric Supply	656,905
Construction	<u>926,134</u>

Total Project Costs \$5,364,428

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant (#AC559)	\$655,000	12%	
Farm Credit East Long-Term Phase 1	2,750,000	51%	Variable/15yrs/first lien
NYSEG Economic Dev. Grant	400,000	8%	
Company Equity	<u>1,559,428</u>	<u>29%</u>	
Total Project Financing	<u>\$5,364,428</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Soybean processing; Agriculture

Company History: The DuMond family started their family farm in 1985. In 2003, Du Mond Grain, LLC was formed and begun its business with roasted soybeans. In 2015 it started making cornmeal, and in 2017 the company added Non-GMO roasted soybean meal and Non-GMO cornmeal. In 2019 the company started the production of extruded soybean meal and soy oil.

Ownership: Du Mond Grain, LLC is privately owned.

Size: All facilities are located in Union Springs, NY.

Market: Du Mond Grain mainly sells directly to dairies and feed mills. The Company has the potential to sell its products to bio-diesel market, pet food companies and/or soy oil brokers.

ESD Involvement: Cayuga County has the most soybeans in acreage planted in New York State, giving an opportunity for Du Mond Grain to process these beans

locally to become soymeal to feed cows. In order to remain competitive and break into this market, Du Mond Grain approached ESD to bridge a funding gap. In July 2017, the Company applied for funding assistance in Round 7 of Central New York's Regional Economic Development Council's Consolidated Funding Application. In December 2017, ESD offered the company a \$655,000 grant, which the company accepted in September 2018. Without financial assistance, this project would not have moved forward.

The Company was also awarded Excelsior tax credits of up to \$224,000 to retain 10 Full-time Permanent Employees and employ 20 net new Full-time Permanent Employees through January 1, 2028.

Competition: Du Mond Grain competes with two smaller soybean producers locally. One is located in the Albany area and the other is Conneautville Soybean Crushing LLC in northern Pennsylvania.

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

B. The Project

Completion: August 2019

Activity: Du Mond Grain has built a new state-of-the-art 11,000-square-foot processing facility, which includes the processing equipment (soymeal extruding and oil processing equipment), six silos for soybean storage that can hold up to 1 million bushels of soybeans, and a barn. As a result of this new facility, soymeal is being delivered to local dairies, and the soy oil is being sold to livestock farms in New York State. This project will add value to all of the local agribusinesses in the region and throughout the state.

Results: The Company has already met its job commitment, having created 20 new jobs.

Business Investment Project:

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

only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at \$883,960;
- Fiscal cost to NYS government is estimated at \$1,080,816;
- Project cost to NYS government per direct job is \$61,360;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$40,026;
- Ratio of project fiscal benefits to costs to NYS government is 0.82:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,562,742;
- Fiscal cost to all governments is \$1,080,816;
- All government cost per direct job is \$61,360;
- All government cost per total job is \$40,026;
- The fiscal benefit to cost ratio for all governments is 1.45:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$10,397,224, or \$385,045 per job (direct and indirect);
- The economic benefit to cost ratio is 9.62:1;
- Project construction cost is \$926,134, which is expected to generate 8 direct job years and 4 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.50 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is not calculated.

Grantee Contact: Todd Du Mond
5083 White Road
Union Springs, NY 13160
Phone: (315) 252-9191
E-mail: Todd@dumondfarms.com

ESD Project No.: AC559 (131,338)

Project Team:	Origination	Ray Lawrence
	Project Management	Leanna DeFrancesco
	Contractor & Supplier Diversity	Renee Cousins
	Finance	Kathleen Uckert
	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 \$655,000 capital grant (\$6,550) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project 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 \$655,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$327,500) upon documentation of total project expenditures of at least \$3,277,132, including purchase and installation of at least \$2,063,292 in Machinery & Equipment; documentation of the employment of at least 10 Full-time Permanent Employees at the Project Location, and a Certificate of Occupancy, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$163,750) will be disbursed upon documentation of the employment of at least 20 Full-time Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$163,750) will be disbursed upon documentation of the employment of at least 30 Full-time Permanent Employees at the Project Location (Employment Increment of 20), 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 13, 2017, to be considered eligible project costs. All disbursements must be requested by April 1, 2023.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$655,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	10
A	B
Reporting Date	Employment Goals
February 1, 2020	10+X+Y
February 1, 2021	10+X+Y
February 1, 2022	10+X+Y
February 1, 2023	10+X+Y
February 1, 2024	10+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=10, and Employment Goals shall equal [10 + X = 20] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=10, and Employment Goals shall equal [10 + X + Y = 30] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2017-2018 New York State budget and reappropriated in the 2018-2019 and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The Town of Fleming Town Board, as lead agency, has completed an environmental review of the project pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on January 14, 2019. 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

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned business enterprises (MWBES) in the performance of ESD projects. For purposes of this project, however, goals will not be established due to the unavailability of certified MWBES for performance of this Contract.

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

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

VIII. Additional Submissions to Directors

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Du Mond Grain, LLC a grant for a total amount not to exceed six hundred and fifty five thousand Dollars (\$655,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *

November 21, 2019

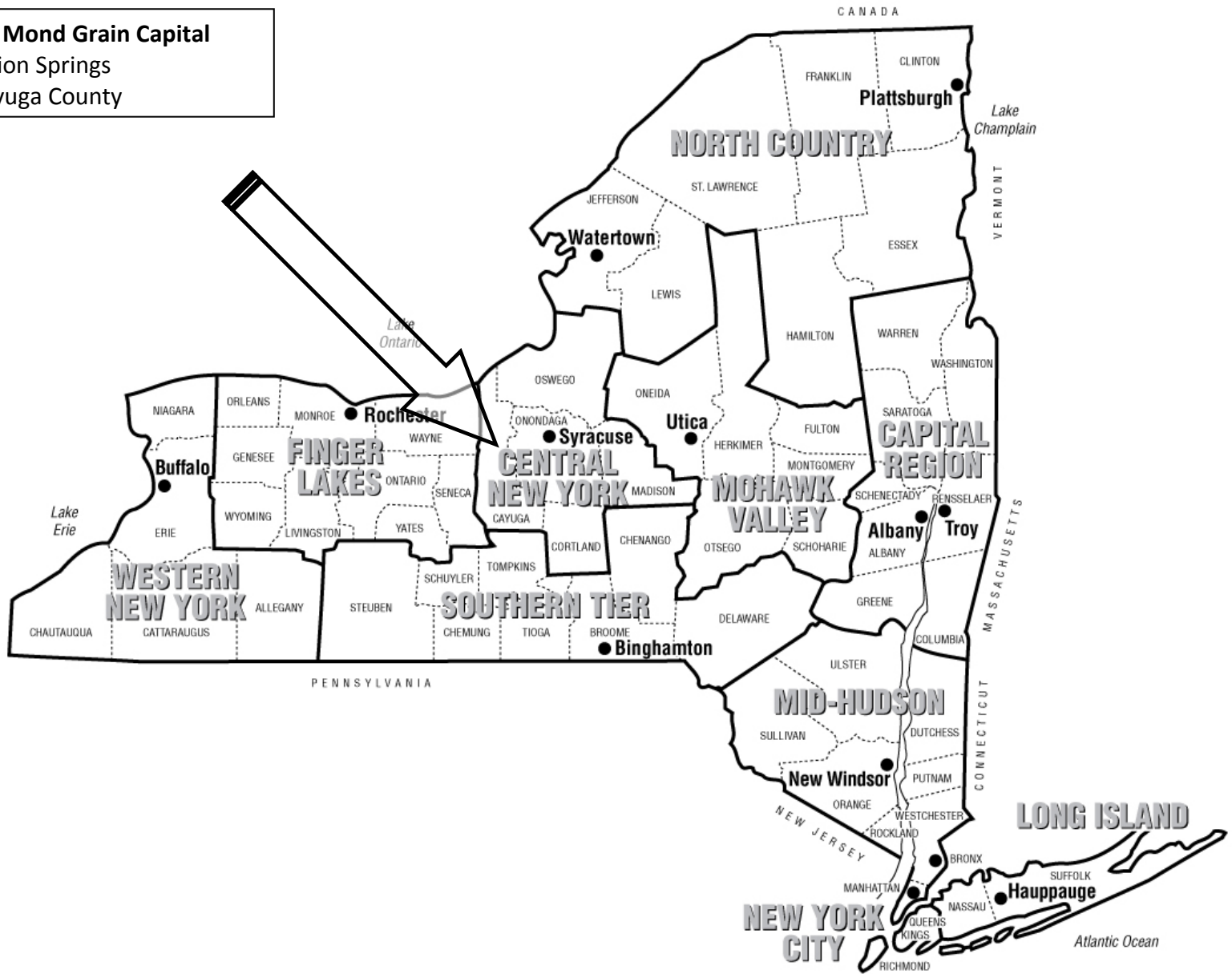
Regional Council Award – Union Springs (Central New York Region – Cayuga County) –
Du Mond Grain Capital – Regional Council Capital Fund (Capital Grant) – Determination
of No Significant Effect on the Environment

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

* * *

Du Mond Grain Capital

Union Springs
Cayuga County





FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award – Syracuse (Central New York Region – Onondaga County) – Le Moyne College Quantitative Reasoning Center 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: Le Moyne College (“Le Moyne” or the “College”)

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

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

Project Location: 1419 Salt Spring Road, Syracuse, Onondaga County

Proposed Project: Creation of a Quantitative Reasoning Center (“QRC” or the “Center”) which will contain a reference section, computer work stations, space for corporate classes/workshops, peer tutoring facilities, film/video presentation capability, and direct linkages to the College’s Writing Center

Project Type: Economic growth

Regional Council: The project is consistent with the Central Regional Economic Development Council’s Plan to support targeted industry clusters and signature investments by equipping the region’s workforce with skills required for the 21st century economy

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Renovation	\$4,945,089
Furniture, Fixtures & Equipment	801,887
Soft Costs	<u>525,843</u>
Total Project Costs	<u>\$6,272,819</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,000,000	16%
Grantee Equity	<u>5,272,819</u>	<u>84%</u>
Total Project Financing	<u>\$6,272,819</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Education

Grantee History: Founded by the Society of Jesus in 1946, Le Moyne is the second youngest of the 28 Jesuit colleges and universities in the United States, and the first to open as a coeducational institution. It was named in honor of Simon Le Moyne, S.J., a priest, missionary and teacher with a considerable influence on Central New York.

Le Moyne's first classes were held in downtown Syracuse before excavation began on the former Gifford Farm. In 1948, the College's first two structures, now known as Grewen Hall and the Coyne Science Center, were built. Today, the campus has grown to include five academic buildings and 15 residential buildings, as well as a chapel, library, performing arts center, Jesuit residence, plaza, and athletic facilities.

Ownership: Le Moyne is not-for-profit organization.

Size: All facilities are located in Syracuse, NY.

Market: Le Moyne serves 3,500 enrolled students in over 30 undergraduate and master's degree programs. The College recruits students mainly from New York State; these students comprise over 90% of its enrollment. Le Moyne's graduates tend to remain in New York with over 70% of alumni within a two-hour radius of Syracuse.

ESD Involvement: Quantitative Reasoning (“QR”) skills are a core competency of the 21st economy. In recent years, only 1% of eighth grade students in the region’s largest school district met the state standards for mathematics putting the region at a disadvantage in filling skilled workforce positions.

To meet this need, Le Moyne sought to create a Quantitative Reasoning Center anchored in its campus library but linked strategically to other campus facilities to maximize the Center’s use and accessibility. The College envisioned that the Center would contain computer labs, corporate class and tutoring facilities, film/video presentation, capability and peer learning labs.

In July 2016, the College applied under Round 6 of the Central New York Regional Economic Development Council’s Consolidated Funding Application to help bridge a funding gap in the renovation of the library to accommodate this plan. In April 2017, ESD made the College an offer of assistance which Le Moyne accepted in May 2017.

Competition: N/A

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

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund	128,191	\$1,500,000	June 29, 2017	April 12, 2016	Capital Grant - Renovate and equip two floors of Le Moyne’s Coyne Building for major upgrades for science labs and related facilities

B. The Project

Completion: November 2018

Activity: The project entailed renovation of space within the Le Moyne College Library to create a permanent physical home for the College's QRC. The scope of the work included asbestos abatement, demolition and new construction, LED lighting, HVAC work, new ceilings, walls, millwork, audiovisual equipment, computers, new flooring and furniture. The project culminated in a dynamic learning environment where the QRC can advance its mission to empower students, faculty, and community members to deepen their understanding of QR and support its use in a

wide range of critical thinking applications to solve problems from a variety of disciplines. The flexible design of the QRC can accommodate up to 70 students or community members, working either individually or in small groups.

Results: The project will support targeted industry clusters by equipping the region’s workforce with the skills and competencies required for the knowledge economy of the 21st century. The project will also make a significant investment in the development of QR skills that are essential for successful employment in the targeted industry clusters. As a result of the project, the QRC expects to reach the following goals:

1. Increase by 20% the average number of courses supported each semester by clinics provided through the QRC
2. Increase by 25% the average number of weekly hours of support available through the QRC
3. Increase by 10% the average number of clinic leaders (trained tutors) employed by the QRC per semester

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: Dr. Linda LeMura, President
1419 Salt Spring Road
Syracuse, NY 13214
Phone: (315) 445-4120
E-mail: president14@LeMoyne. edu

ESD Project No.: AB524

Project Team:	Origination	Ray Lawrence
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Renee Cousins
	Finance	Christina Choi
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition

prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project
4. Up to \$1,000,000 will be disbursed to Grantee in a lump sum, upon documentation of renovation, furniture, fixtures and equipment project costs totaling \$6,272,819, and upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy or other documentation verifying project completion as ESD may reasonably require, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 8, 2016, to be considered eligible project costs. All disbursements must be requested by April 1, 2020.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2016-2017 New York State budget and reappropriated in the 2017-2018, 2018-2019 and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30%. The overall goal shall include a Minority Business Enterprise Participation Goal of 15%

and a Women Business Enterprise Participation Goal of 15% related to the total value of ESD's funding.

The Recipient is encouraged to use "Good Faith Efforts," pursuant to 9 NYCRR §252.2(m), to utilize NYS-certified Service-Disabled-Veteran-owned Business Enterprises ("SDVOBs") in the execution of the grant. ESD's current agency-wide goal is 6%. Any utilization of SDVOBs would be in addition to goals established pursuant to Article 15-A of the Executive Law with respect to MWBEs. Should SDVOBs be utilized, a further explanation of the SDVOB reporting requirements is attached hereto.

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

November 21, 2019

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Le Moyne College 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 Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

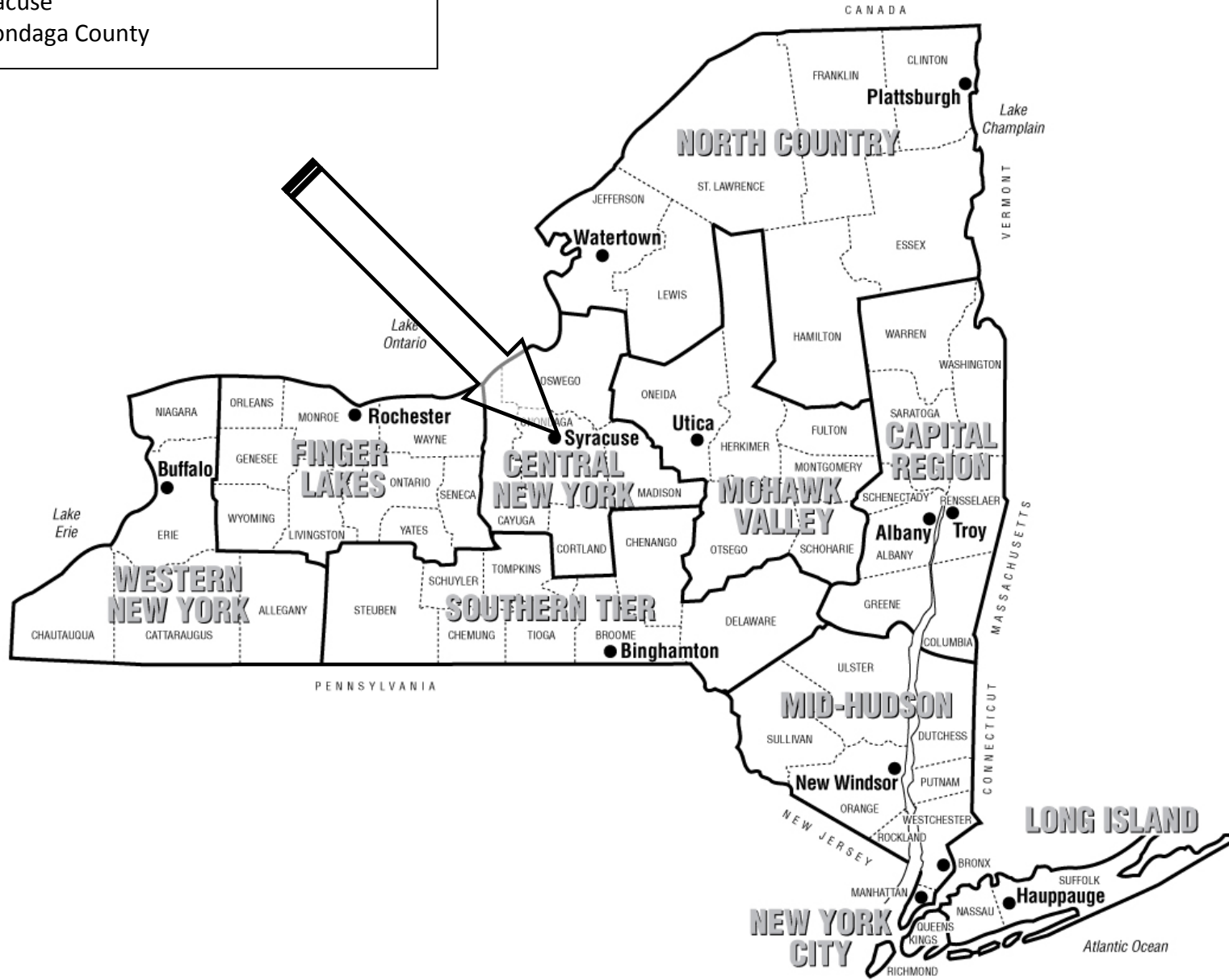
RESOLVED, that the President and Chief Executive Officer Designate or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

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

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

* * *

**Le Moyne College Quantitative Reasoning
Center Capital**
Syracuse
Onondaga County



FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Oswego (Central New York Region – Oswego County) – Cahill Building Capital – Downtown 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

General Project Plan

I. Project Summary

Grantee: Camelot Lodge LLC (“Camelot” or the “Company”)

ESD* Investment: A grant of up to \$700,000 to be used for a portion of the cost of construction and renovation

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

Project Location: 1 West Seneca Street, Oswego, Oswego County

Proposed Project: Renovation of the historic Cahill Building (“Building”) into seven riverfront apartments and the construction of a 4,000-square-foot commercial building for professional office space

Project Type: Capital Downtown Revitalization

Regional Council: The Central New York Regional Economic Development Council has been made aware of this item. The project is consistent with the Central New York Regional Economic Development Council’s Plan to revitalize the region’s urban cores, main street and neighborhoods.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Building Purchase	\$130,000
Building Renovation	1,010,000
New Construction	435,000
Machinery and Equipment	180,000
Furniture, Fixtures and Equipment	92,000
Demo and Environmental Remediation	90,000
Soft Costs	155,000
Landscaping and Parking	<u>120,000</u>
Total Project Costs	<u>\$2,212,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term</u>
ESD-Grant	\$700,000	32%	
Pathfinder Bank Line of Credit	1,100,000	49%	Adjustable rate w/ open term
Company Equity	<u>412,000</u>	<u>19%</u>	
Total Project Financing	<u>\$2,212,000</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Real Estate

Company History: Camelot Lodge LLC was formed in Oswego, New York in 2010 as a real estate development company. The Company offers residential and commercial rentals but prides itself mostly on the restoration and re-purposing of historic buildings.

Ownership: The Company is privately owned.

Size: All facilities are located in Oswego, NY.

Market: Real estate/historic building restoration in Central New York

ESD Involvement: The Cahill Building was built in 1828 and is the oldest commercial building in the City of Oswego. The building had been vacant since 2008 after a restaurant closed abruptly, resulting in the Building falling into disrepair. The Company purchased the Building in 2015 and explored options for its restoration. However, due to the Building's size, condition and historical significance, Camelot needed financial assistance to bridge a funding gap.

In 2016, the City of Oswego was the community selected for the Central New York Regional Economic Development Council's \$10 million Downtown Revitalization Initiative ("DRI"). The Cahill Building was identified as a priority project and was awarded a \$700,000 grant from the City of Oswego's DRI to assist with the renovation of the existing structure and the new construction of a commercial building on the site.

Competition: N/A

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

B. The Project

Completion: May 2019

Activity: Camelot has purchased, renovated and equipped the Cahill Building, preserving the historic nature of the Building after it was vacant for seven years and was on the verge of collapse. During its vacant years, the roof fell into disrepair with a 10-foot by 10-foot hole, and the 200-year-old stone wall was on the verge of collapse.

The Company braced the structure from collapsing, and then carefully took down the southern stone wall by hand and then rebuilt using the same stones. The Company was careful to choose materials to compliment the Building and keep its historic charm by using period correct windows and a metal roof that would have been used in the early 1800's.

Specifically, the project included the renovation of the Building into seven two-bedroom residences, and a separate new commercial space for two businesses. Both commercial spaces are currently leased by a local credit union as well as a state-of-the-art physical therapists office. The residential portion of the site, now called Cahill Landing has all seven units occupied.

Along with the restoration of the Cahill Building, the Company also constructed a new 4,000-square-foot commercial building at the same site with two offices for local businesses.

Results: The seven units of the restored the Cahill Building are occupied, and the separate new commercial space is being leased by two businesses.

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: Anthony Pauldine, Owner
190 Fifth Avenue
Oswego, New York 13126
Phone: 315-343-6033
E-mail: tpauldine@twcnny.rr. com

ESD Project No.: 132,203

Project Team:	Origination	Zachary Becker
	Project Management	Chelsey Watroba
	Contractor & Supplier Diversity	Renee Cousins
	Finance	Kathleen Uckert
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Up to \$700,000 will be disbursed to Grantee upon documentation of building purchase, renovation, construction, machinery and equipment, furniture, fixtures, and equipment, demolition, environmental remediation, soft costs, landscaping and parking project costs totaling \$2,212,000, 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 November 20, 2018, to be considered eligible project costs. All disbursements must be requested by April 1, 2020.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$700,000, 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.
5. 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.
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. 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 2019-2020 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

Due to the building's 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. No further consultation is required.

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 Enterprises (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 32% related to the total value of ESD's funding.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolution
New York State Map
Project Finance Memorandum
Project Photographs

November 21, 2019

Oswego (Central New York Region – Oswego County) – Cahill Building Capital – Downtown 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 Cahill Building Capital - Downtown 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 Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Camelot Lodge LLC a grant for a total amount not to exceed Seven Hundred Thousand Dollars (\$700,000) from the Downtown 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 Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

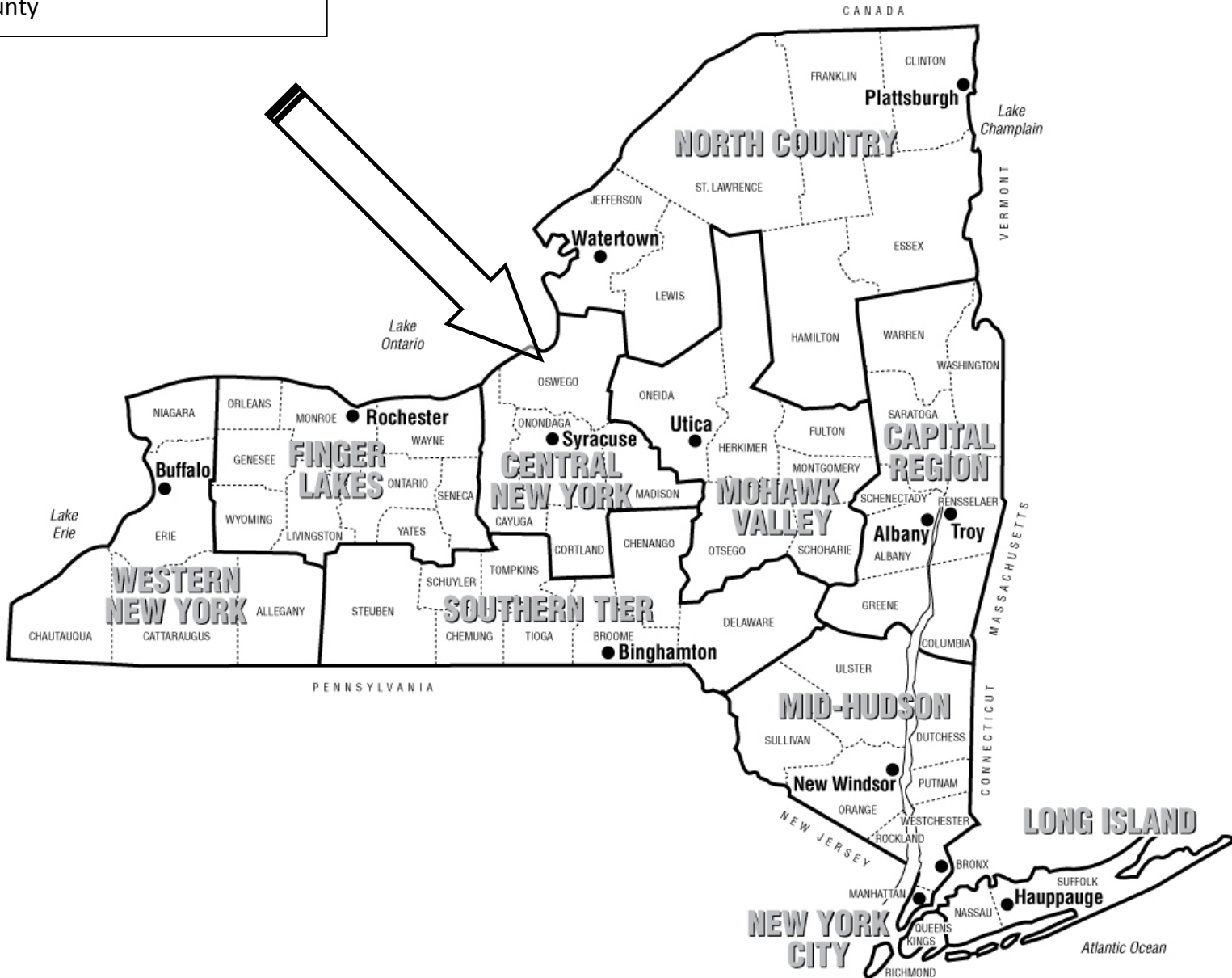
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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

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

* * *

Pauldine Construction - Cahill Building
Capital
Oswego
Oswego County





FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award –Priority Project –Tupper Lake (North Country Region – Franklin County) – Village of Tupper Lake Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Village of Tupper Lake (the “Village” or “Tupper Lake”)

ESD* Investment: A grant of up to \$1,000,000 to be used for a portion of Phase Two infrastructure expansion construction costs for the section running from State Route 30 and to include Country Club Road in Tupper Lake

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

Project Location: 53 Park St., Tupper Lake, Franklin County

Proposed Project: Upgrades and reconstruction of the existing water system in the Village and extension of the water system from State Route 30 to include Country Club Road

Project Type: Water infrastructure upgrades

Regional Council: The project is consistent with the North Country Regional Economic Development Council’s (“NCREDC”) Plan to invest in community development infrastructure that expands opportunity and capacity.

II. Project Cost and Financing Sources

Phase One – Reconstruction of Older Section of Water System:

<u>Financing Uses</u>	<u>Amount</u>
Infrastructure Reconstruction	\$4,818,500
Engineering & Soft costs	<u>\$1,403,309</u>
Sub-total	\$6,221,809

Phase Two – New Construction on Route 30 to Include Country Club Road:

<u>Financing Uses</u>	<u>Amount</u>
Infrastructure Expansion	
Construction Costs	\$1,200,000
Engineering & Soft Costs	<u>\$300,000</u>
Sub-total	\$1,500,000

Total Project Costs \$7,721,809

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$1,000,000	13%	
Northern Border Regional Commission	\$250,000	3%	
NYS Environ. Facilities Corporation			
DWSRF Grant	\$2,000,000	26%	
New York Water Grant	\$1,000,000	13%	
DASNY SAM Grant	\$50,000	1%	
NYS Environmental Facilities Corporation DWSRF Loan	\$2,649,628	34%	0%/30 yrs/NA
Grantee Equity	<u>\$772,181</u>	<u>10%</u>	
Total Project Financing	<u>\$7,721,809</u>	<u>100%</u>	

III. Project Description

A. Grantee

Industry: Incorporated Village/Municipality

Grantee History: The Village of Tupper Lake was founded in 1903 and is in the Adirondack region of Upstate New York. It is located within the Town of Tupper Lake in the southwest corner of Franklin County. The Village is a full-service municipality providing street and sidewalk maintenance, residential trash pick-up, code enforcement, and police services to Village residents and visitors along with public water, sewer, fire protection, and electric

service to residents and customers in the Village and in the Town of Tupper Lake. The Village is governed by a mayor and four trustees elected to two-year terms.

Size: The Village has a population of 3,667 people.

ESD Involvement: Critical infrastructure improvements in the Village and Town water system were necessary to support development of existing and growing businesses in the region. The Village was able to secure funds from the New York State Environmental Facilities Corporation, Dormitory of the State of New York, local funds from the Town, and private investments. However, the Village still had a gap in financing to complete the project. In 2015, the Village submitted a Round 5 Consolidated Funding Application (“CFA”) to assist with the financing of the project. A \$1,000,000 Regional Council Capital Fund grant was awarded to the Village for a portion of Phase Two. The ESD grant secured through the CFA was critical to ensure that the project moved forward.

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

B. The Project

Completion: June 2019

Activity: The Tupper Lake Water System Improvements project included improvements to the Village’s existing supply and distribution system and enhancements to supply additional water and fire protection to the Town of Tupper Lake. Surface Water Treatment Rule violations related to excessive distribution by-products were mitigated by providing a new groundwater supply allowing abandonment of the aged Tupper Lake surface water intake and filtration plant.

The associated improvements included:

- New groundwater supply via two 16-inch groundwater wells with two 900 gallon per minute submersible turbine well pumps, enabling abandonment of the aged Tupper Lake surface water intake and filtration plant;
- 900 square foot well-house building for chlorine disinfection injection;
- 2,600 feet of gravel access road to well-site;
- 13,500 feet of 12-inch water transmission main, including 4,000 feet directionally drilled to avoid Adirondack Park Agency regulated wetlands;
- 14,500 feet of electrical conduit and primary electric service,

including 4,000 feet directional drilled to avoid Adirondack Park Agency regulated wetlands;

- 7,864 feet of 8-inch water main and 1,034 feet of 12-inch water ductile iron water main;
- 29 fire hydrants for improved fire protection;
- 720 square foot booster pump station building with three 350 gallon per minute end suction centrifugal pumps;
- Zone separation valves to enable isolation of two separate pressure zones within the system and improve usage of two existing water storage tanks;
- Tamarac Pump Station upgrades to replace hydropneumatic tanks with high-lift pumps suitable for water delivery to the Town of Tupper Lake Water District No. 3 customers, including the Golf Course and Cross-Country Ski Center; and
- 82,700-gallon glass-fused-to-steel water storage tank.

Results: As a result of this project, water quality and fire flow has been improved for existing and future Tupper Lake businesses and residents. Additionally, water system improvements have been made to improve the reliability of delivering safe, abundant water to customers. Safe, plentiful public drinking water is a critical infrastructure need for the Tupper Lake region. This project positioned the Village’s water system to support the existing and growing businesses in the region, including the Wild Center and Raquette River Brewing.

Infrastructure Investment

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

Grantee Contact: Carrie Tuttle, PhD, PE, CSP
DANC - Director of Engineering
23557 State Route 37
Watertown, NY 13601
Phone: (315) 661-3259
E-mail: ctuttle@ danc. org

ESD Project No.: AA837

Project Team:	Origination	Rosemary Redmond
	Project Management	Meghan Ferrelli
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Timothy Anderson
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Grantee shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after 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's financial statements or Grantee's accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,000,000 will be disbursed to Grantee upon documentation of upgrades and reconstruction project costs totaling \$7,721,809, upon completion of the project 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 15, 2016 to be considered eligible project costs. All disbursements must be requested by April 1, 2020.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2015-2016 New York State budget and reappropriated in the 2016-2017, 2017-2018, 2018-2019 and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The Village Board of the Village of Tupper Lake, as lead agency, has completed an environmental review of the project pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on December 12, 2016. ESD staff reviewed the Negative Declaration and

supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority- and Women-Owned Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

VII. Smart Growth Public Infrastructure Review

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

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Project Photographs

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Village of Tupper Lake 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 Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

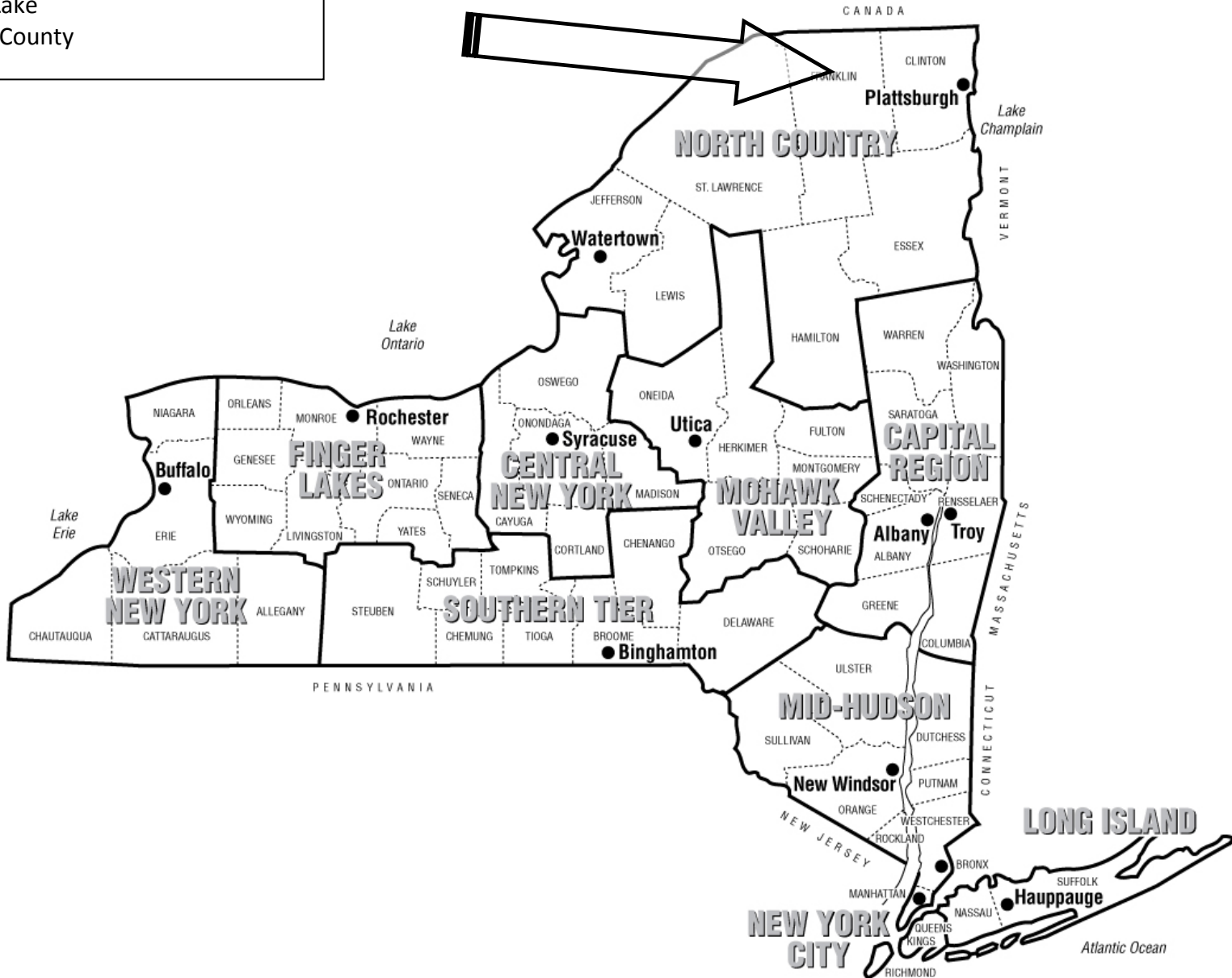
November 21, 2019

Regional Council Award – Priority Project – Tupper Lake (North Country Region – Franklin County) – Village of Tupper Lake 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 Village of Tupper Lake Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Village of Tupper Lake Capital
Tupper Lake
Franklin County







FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award – Priority Project – Horseheads (Southern Tier Region – Chemung County) – Beecher Emission Solution Technologies 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: Beecher Emission Solution Technologies, LLC (“BEST”)

ESD* Investment: A grant of up to \$800,000 to be used for a portion of the cost of the purchase and renovation of a facility to be used as a corporate headquarters as well as the purchase of machinery and equipment to outfit the space

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

Project Location: 1250 Schweizer Road, Horseheads, Chemung County

Proposed Project: Facility purchase and renovation and purchase of machinery and equipment to allow for business expansion

Project Type: Business expansion involving job retention and creation

Regional Council: The project is consistent with the Southern Tier Regional Economic Development Council’s plan to invest in the Advanced Manufacturing industry.

Employment:	Initial employment at time of ESD Incentive Proposal:	16
	Current employment level:	16
	Minimum employment on January 1, 2021:	34*

*New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$800,000
Construction/Renovation	600,000
Infrastructure/Site Work	205,000
Machinery and Equipment	1,990,000
Furniture, Fixtures, and Equipment	46,000
Soft Costs	<u>659,000</u>

Total Project Costs \$4,300,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$800,000	19%	
Corning Credit Union—Loan	630,000	15%	5.5%/15/first lien on RE
Corning Credit Union—Loan	207,055	5%	*/2/first lien on RE
Corning Credit Union—Loan	589,420	14%	4.88-5.75%/4-15
Corning Credit Union—Loan	113,542	3%	0-5.24%/4-6
Corning Credit Union – Line of Credit	200,000	5%	***
Corning Credit Union—Loan	600,000	14%	***
REDEC—Loan**	300,000	7%	***
Town of Big Flats—Loan	145,000	3%	1.5%/10
Fuzehub Grant	75,000	2%	
Company Equity	<u>639,983</u>	<u>15%</u>	
Total Project Financing	<u>\$4,300,000</u>	<u>100%</u>	

*variable: prime +1

**Regional Economic Development Corporation Relending Corporation

***Grantee is currently finalizing rate, term and lien position with lenders

III. Project Description

A. Company

Industry: Beecher Emission Solution Technologies is a leading developer and advanced manufacturer of emission control and filtering products developed for diesel, gasoline, natural gas and alternative fuel exhaust systems

Company History: Beecher Emission Solution Technologies was established in 1987. Its most popular product, the “NO SMOKE” exhaust removal system, was patented in 1989. Over the last 30 years, BEST has installed thousands of “NO SMOKE” systems on fire apparatus throughout the United States and across the world. In 2007, they began offering emission control devices into other markets and installing diesel emission control and filtering devices on road and off-road vehicles.

Ownership: Privately held

Size: BEST currently operates in three different states: New York, Pennsylvania, and Nevada. This project would bring all manufacturing to New York

Market: BEST sells products across the United States and internationally, with 95% of products sold outside New York State.

ESD Involvement: In 2017, BEST conceived of a plan to consolidate manufacturing operations currently spread across three states to one location in the Southern Tier. A centralized location will increase efficiency and enable BEST to grow its relationship with IncubatorWorks, an organization that supports the growth of manufacturers in the region. BEST encountered a funding gap that prevented them from moving forward with the project. As a result of the Governor’s Regional Economic Council, the Company was awarded a \$800,000 capital grant through Round 7 of the Consolidated Funding Application process to assist with the project financing.

Competition: Pennsylvania or Nevada.

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

B. The Project

Completion: December 2019

Activity: The Company has purchased, renovated and equipped an 188,000-square-foot building in Horseheads. The facility will support continued customer demand for emission control and filtering devices that reduce the environmental carbon footprint and address the negative health and safety aspect of exposure to diesel and other fossil fuels. This project will also grow the advanced manufacturing sector in the Southern Tier.

Results: Retain 16 existing jobs and create 18 new jobs.

Business
Investment
Project:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$958,672;
- Fiscal cost to NYS government is estimated at \$800,000;
- Project cost to NYS government per direct job is \$63,063;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$31,434;
- Ratio of project fiscal benefits to costs to NYS government is 1.20:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,644,019;
- Fiscal cost to all governments is \$800,000;
- All government cost per direct job is \$63,063;
- All government cost per total job is \$31,434;
- The fiscal benefit to cost ratio for all governments is 2.06:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$12,627,685, or \$496,169 per job (direct and indirect);
- The economic benefit to cost ratio is 15.78:1;
- Project construction cost is \$750,000, which is expected to generate 7 direct job years and 3 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.01 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is six years.

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

Grantee Contact: Scott Beecher, President
1250 Schweizer Rd
Horseheads, NY 14845
Phone: 607-796-0149
E-mail: scott.beecher@warddiesel.com

ESD Project No.: AC954

Project Team:	Origination	Joseph Roman
	Project Management	Sarah Glose
	Contractor & Supplier Diversity	Renee Cousins
	Finance	Tim Anderson
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$800,000 capital grant (\$8,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project 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 \$800,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$400,000) upon

documentation of project costs totaling \$4,300,000, including the purchase and installation of \$1,900,000 in machinery and equipment, documentation of the employment of at least 16 Full-time Permanent Employees at the Project Location, and a certificate of occupancy, assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of an amount equal to 25% of the grant (\$200,000) will be disbursed upon documentation of the employment of at least 25 Full-time Permanent Employees at the Project Location (Employment Increment of 9), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$200,000) will be disbursed upon documentation of the employment of at least 34 Full-time Permanent Employees at the Project Location (Employment Increment of 9), 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 13, 2017, to be considered eligible project costs. All disbursements must be requested by April 1, 2023.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$800,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

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

Baseline Employment	16
A	B
Reporting Date	Employment Goals
February 1, 2020	16+X+Y
February 1, 2021	16+X+Y
February 1, 2022	16+X+Y
February 1, 2023	16+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=9, and Employment Goals shall equal [16 + X = 25] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=9, and Employment Goals shall equal [16 + X + Y = 34] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2017-2018 New York State budget and reappropriated in the 2018-2019 and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project.

The grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

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

November 21, 2019

Regional Council Award – Priority Project – Horseheads (Southern Tier Region – Chemung County) – Beecher Emission Solution Technologies 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 Beecher Emission Solution 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 Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Beecher Emission Solution Technologies, LLC a grant for a total amount not to exceed Eight Hundred Thousand Dollars (\$800,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

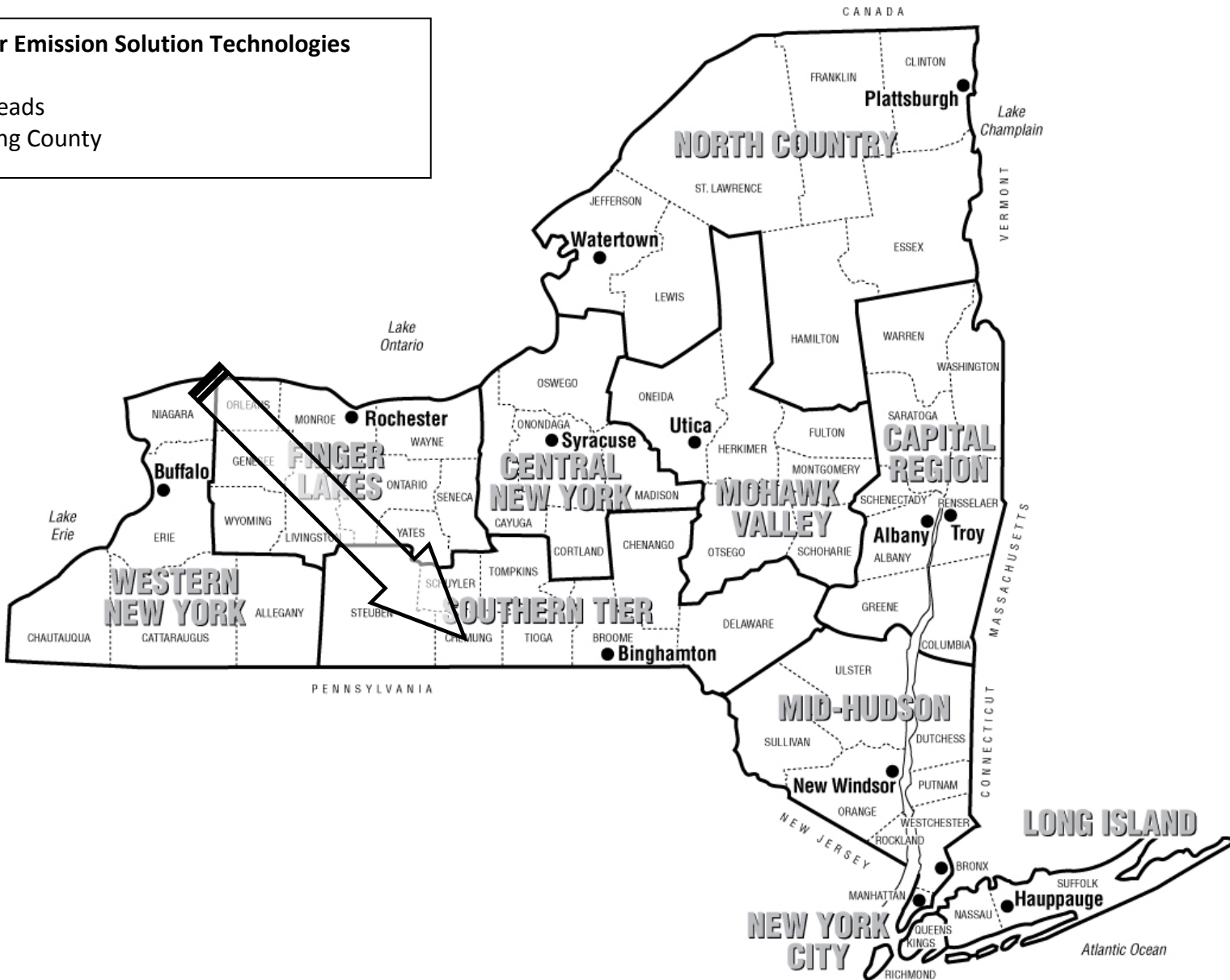
* * *

Beecher Emission Solution Technologies

Capital

Horseheads

Chemung County



**Project Summary
Benefit-Cost Evaluation¹**

Beecher Emission Solution Technologies, LLC – 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.

Initial Jobs:	16	Construction Job Years (Direct):	7
New Jobs:	18 over three years	Construction Job Years (Indirect):	3

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$800,000	\$794,250	\$800,000	\$1,020,500
Fiscal Benefits⁴	\$958,672	\$2,085,600	\$1,644,019	\$4,271,980
Fiscal Cost /Direct Job	\$63,063	\$3,000	\$63,063	\$4,110
Fiscal Cost/Total Jobs	\$31,434	\$1,424	\$31,434	\$1,964
Fiscal B/C Ratio	1.20	7.00	2.06	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$12,627,685	\$119,468,000		
Econ. Benefits/Total Jobs	\$496,169	\$147,600		
Economic B/C Ratio	15.78	75.00		

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

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

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

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

⁵ 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

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award – Congers (Mid-Hudson Region – Rockland County) – Star Kay White 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: Star Kay White, Inc. (“Star Kay White” or the “Company”)

ESD* Investment: A grant of up to \$2,250,000 to be used for a portion of the cost of construction, renovations and the purchase of machinery and equipment, relocation of equipment, etc.

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

Project Locations: 100 Brenner Dr, Congers, Rockland County
151 Wells Ave, Congers, Rockland County

Proposed Project: Build out of new manufacturing facility and renovation of Star Kay White’s existing facility.

Project Type: Renovation involving job retention and creation

Regional Council: The project is consistent with the Mid-Hudson Regional Economic Development Council’s Plan to assist manufacturing businesses in becoming more competitive and productive by supporting efficiency improvements.

Employment: Initial employment at time of ESD Incentive Proposal: 118
 Current employment level: 140
 Minimum employment on January 1, 2020: 139*
 *New Employees cannot be transferred from other NYS location

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$7,859,711
Construction/Renovation	\$10,948,748
Machinery and Equipment	\$5,168,050
Engineering	\$1,136,743
Contingency	<u>\$463,340</u>

Total Project Costs \$25,576,592

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$2,250,000	9%	
Mortgage	\$5,960,000	23%	4.80%/9 yrs/ first lien on RE
Mortgage	\$12,730,541	50%	3.52%/8.5 yrs/2nd lien on RE
Company Equity	<u>\$4,636,051</u>	<u>18%</u>	
Total Project Financing	<u>\$25,576,592</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Specialty food manufacturer

Company History: In 1890, David Katzenstein and his brother Sam opened a corner shop developing and selling a wide array of flavors and extracts in downtown New York City. These flavors were used by local bakers, brewers, distillers, tobacconists, beverage and ice cream makers throughout New York, New England, and Pennsylvania. Since then, the 126-year-old family owned business has been innovators and industry leaders in the fields of variegate, candy, extract, and processing design.

Ownership: The Company is privately-owned.

Size: All facilities are located in Congers, NY.

Market: Manufacturing flavorings and inclusions for ice cream.

Customers include: Breyers, Ben & Jerry's, Dryers, Hagen Daz, Turkey Hill, Blue Bunny, Blue Bell, Publix etc. Competitors include Denali Ingredients, Kerry Ingredients and Masterson Foods.

Competition: NA

ESD Involvement: In 2016, Star Kay White applied under Round 6 of the Mid Hudson Regional Economic Development Council's Consolidated Funding Application to obtain funding assistance for the construction of a new production facility.

In June 2017, ESD made the Company a \$2,250,000 award from the Regional Council Capital Fund which the Company accepted in June 2017. The Company would not have been able to move forward with the production facility if it did not receive ESD's assistance. The Company will also receive up to \$350,000 in Excelsior Jobs Program tax credits.

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

B. The Project

Completion: November 2019

Activity: Major renovations to 100 Brenner Drive, Congers, NY have been made. The building was a dilapidated sheet metal factory almost completely renovated into a modern food manufacturing facility. The facility now has candy manufacturing, planning, dry storage, QC labs, offices, and a training room. The Company also build-out of an 8,600 square-foot cold storage room located at 151 Wells Avenue, Congers, NY.

Results: Retain 118 existing jobs and create 21 new jobs. The Company has already exceeded its employment commitment, having created 22 new jobs.

Business
Investment
Project:

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term

benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at \$802,936;
- Fiscal cost to NYS government is estimated at \$2,502,499;
- Project cost to NYS government per direct job is \$195,107;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$104,258;
- Ratio of project fiscal benefits to costs to NYS government is 0.32:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,502,494;
- Fiscal cost to all governments is \$2,502,499;
- All government cost per direct job is \$195,107;
- All government cost per total job is \$104,258;
- The fiscal benefit to cost ratio for all governments is 0.60:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$10,746,266, or \$447,706 per job (direct and indirect);
- The economic benefit to cost ratio is 4.29:1;
- Project construction cost is \$8,047,720, which is expected to generate 46 direct job years and 23 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.83 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: Benjamin Katzenstein, President/CEO
151 Wells Avenue
Congers, NY 10920
Phone: (845) 268-2600 x 210
E-mail: Benjamin.Katzenstein@starkaywhite. com

ESD Project No.: AC028 and AC029

Project Team:	Origination	Eric Warren
	Project Management	Nick Sarchioto
	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 Company shall pay a commitment fee of 1% of the \$2,250,000 capital grant (\$22,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed 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 \$2,250,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$1,125,000) upon documentation of total project costs totaling \$25,576,592, including \$10,948,748 in construction and renovation expenditures, a Certificate of Occupancy, and documentation of the employment of at least 118 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$562,500) will be disbursed upon documentation of the employment of at least 128 Full-time

- Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$562,500) will be disbursed upon documentation of the employment of at least 139 Full-time Permanent Employees at the Project Location (Employment Increment of 11), 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 8, 2016, to be considered eligible project costs. All disbursements must be requested by April 1, 2022.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,250,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such

year or the average employment for the 12-month period computed by quarter.

Baseline Employment	118
A	B
Reporting Date	Employment Goals
February 1, 2020	118+X+Y
February 1, 2021	118+X+Y
February 1, 2022	118+X+Y
February 1, 2023	118+X+Y
February 1, 2024	118+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=10, and Employment Goals shall equal [118 + X = 128] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=11, and Employment Goals shall equal [118 + X + Y = 139] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2016-2017 New York State budget and reappropriated in the 2017-2018, 2018-2019, and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Benefit-Cost Analysis

Project Finance Memorandum

November 21, 2019

Regional Council Award – Congers (Mid-Hudson Region – Rockland County) – Star Kay White 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 Star Kay Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Star Kay White, Inc. a grant for a total amount not to exceed Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

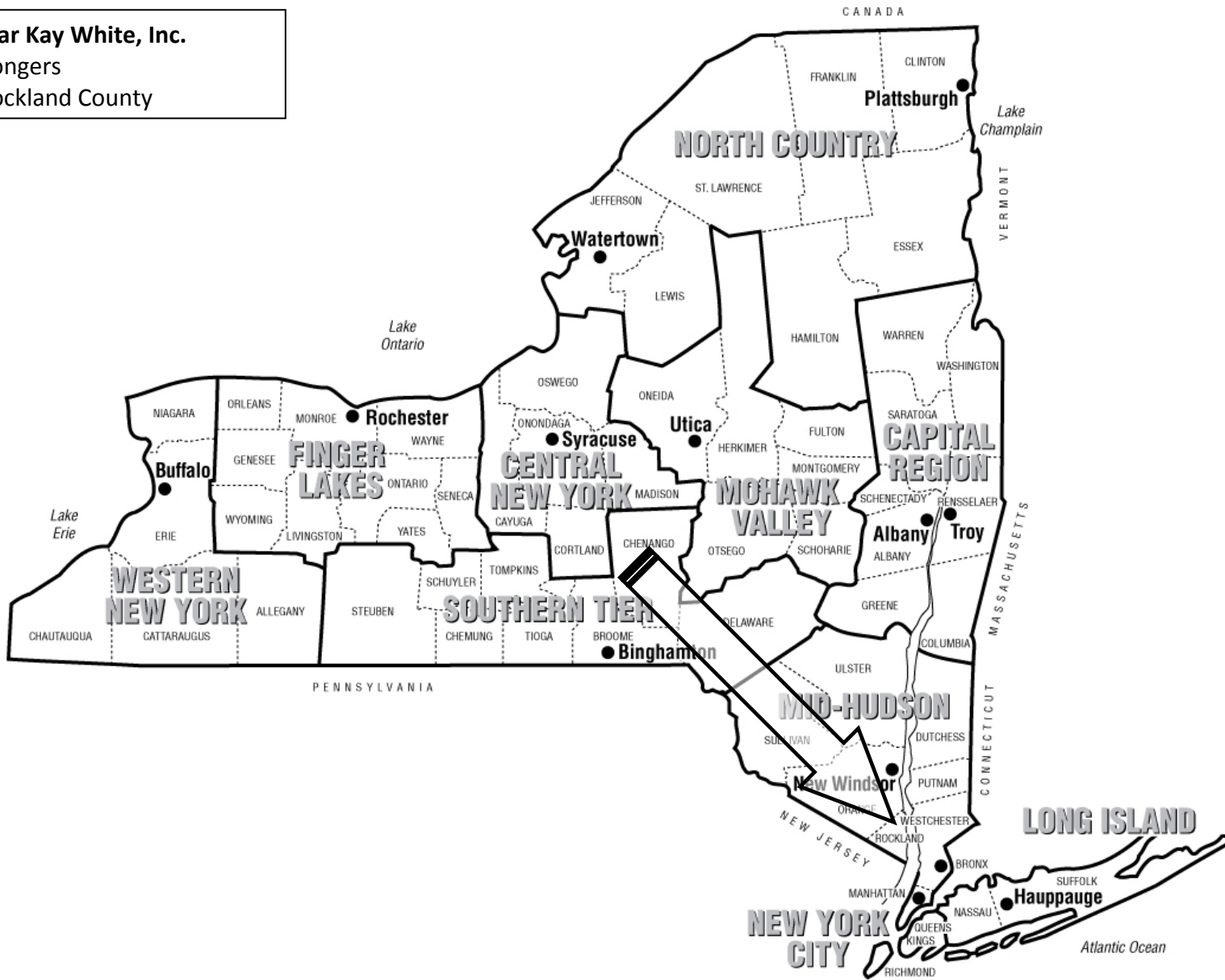
RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate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

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

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

* * *

Star Kay White, Inc.
Congers
Rockland County



**Project Summary
Benefit-Cost Evaluation¹**

Star Kay White, Inc. – Business Investment

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

Initial Jobs:	118	Construction Job Years (Direct):	46
New Jobs:	21 jobs over four years	Construction Job Years (Indirect):	23

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$2,502,499	\$794,250	\$2,502,499	\$1,020,500
Fiscal Benefits⁴	\$802,936	\$2,085,600	\$1,502,494	\$4,271,980
Fiscal Cost /Direct Job	\$195,107	\$3,000	\$195,107	\$4,110
Fiscal Cost/Total Jobs	\$104,258	\$1,424	\$104,258	\$1,964
Fiscal B/C Ratio	0.32	7.00	0.60	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$10,746,266	\$119,468,000		
Econ. Benefits/Total Jobs	\$447,706	\$147,600		
Economic B/C Ratio	4.29	75.00		

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

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

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

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

⁵ 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

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award – Wallkill (Mid-Hudson Region – Ulster County) – Ironworkers Local 417 Training and Education 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: Ironworkers Local 417 Training and Education (“Local 417” or the “Organization)

ESD* Investment: A grant of up to \$300,000 to be used for a portion of the cost of construction and renovations

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

Project Location: 583 Route 32, Wallkill, Ulster County

Proposed Project: Renovation and expansion of the Organization’s current training facility to include a state-of-the-art two-story wing

Project Type: Business modernization project

Regional Council: The project is consistent with the Mid-Hudson Regional Economic Development Council’s Plan to improve key regional infrastructure to make the Region more business-ready.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$1,269,800	
Architectural/Engineering/Soft Costs	<u>400,000</u>	
Total Project Costs	<u>\$1,669,800</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$300,000	18%
Company Equity	<u>1,369,800</u>	<u>82%</u>
Total Project Financing	<u>\$1,669,800</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Trade Union

Company History: Local 417 was established in 1929 and has been operating in the Hudson Valley for 86 years. The Organization's goal is to train and produce the best ironworkers in the Region.

Ownership: The Organization is a not-for-profit.

Size: All facilities are located in Wallkill, NY.

ESD Involvement: The project is a direct result of the rising demand for qualified ironworkers in the Hudson Valley. The Region is undertaking large infrastructure projects such as the rebuilding of the Tappan Zee Bridge and the building of Competitive Power Venture. These types of projects require well-trained ironworkers. The Organization's training center could no longer train the number of workers these projects demand. Therefore, expanding the current training facility to meet the rising demand was necessary. The Organization applied through round 6 of the Consolidated Funding Application process and was awarded a grant from the Regional Council Capital Fund to assist with the financing of the project. Without ESD assistance the project would not have been feasible.

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

B. The Project

Completion: March 2019

Activity: The Organization expanded its training facility by over 6,000 square-feet. The two-story addition includes classrooms, a welding training room, bathrooms, a storage room, and a break area.

Results: Due to the expansion, the Organization will be able to train 75 new ironworkers over the next five years. Apprentices who complete the training program will be admitted into Local 417 and will be placed at infrastructure job sites across Hudson Valley.

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: Michael Gaydos, Treasurer
583 Route 32
Walkkill, NY 12589
Phone: (845) 566-8417
E-mail: gator417@verizon. net

ESD Project No.: AB822

Project Team:	Origination	Linda Malave
	Project Management	Arturo Rodriguez
	Contractor & Supplier Diversity	Denise Ross
	Finance	Christina Choi
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$300,000 capital grant (\$3,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee’s acceptance of ESD’s offer. Equity is

defined as cash injected into the project by the Grantee or by investors and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to \$300,000 will be disbursed to Grantee upon documentation of construction/renovation, architectural, engineering, and soft project costs totaling \$1,669,880 as evidenced by a certificate of occupancy, assuming all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 8, 2016, to be considered eligible project costs. All disbursements must be requested by April 1, 2020.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2016-2017 New York State budget and re-appropriated in the 2017-2018, 2018-2019 and 2019-2020 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 Organization shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises (“MWBEs”) for any contractual opportunities generated in connection with the Project and 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

November 21, 2019

Regional Council Award – Wallkill (Mid-Hudson Region – Ulster County) – Ironworkers Local 417 Training and Education 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 Ironworkers Local 417 Training and Education Capital -- Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Ironworkers Local 417 Training and Education a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

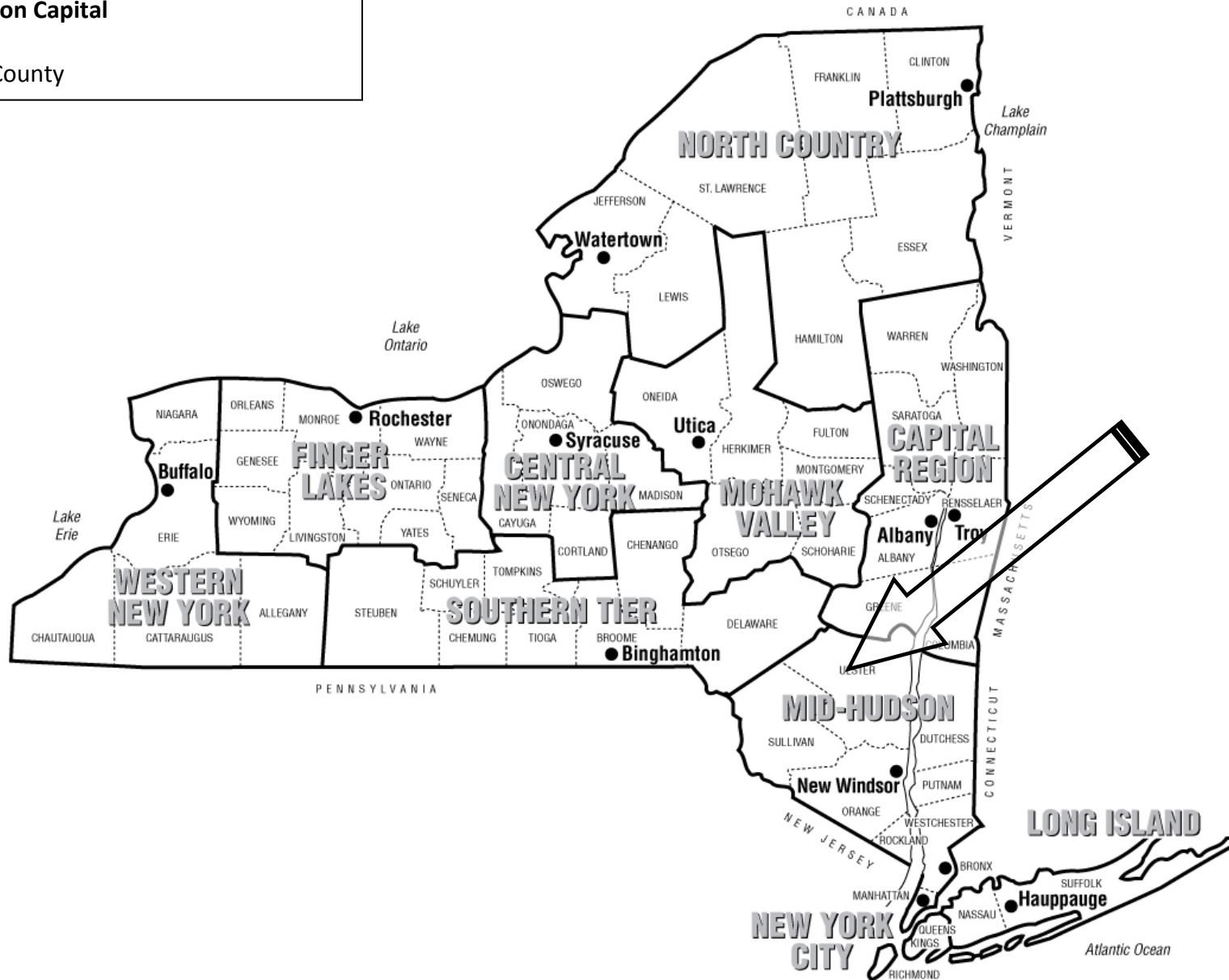
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other

necessary approvals; and be it further

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

* * *

Ironworkers Local 417 Training and Education Capital
Wallkill
Ulster County



FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award – Warwick (Mid-Hudson Region – Orange County) – Drowned Lands Brewery Capital – Regional Council Capital Fund and Market NY Capital Appropriation (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

General Project Plan

I. Project Summary

Grantee: Kraftify, LLC (“Kraftify” or the “Company”)

ESD* Investment: Grants of up to \$540,000 to be used for a portion of the cost of non-retail construction and renovations, and the purchase of non-retail furniture, fixtures and equipment

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

Project Location: 251 State School Road, Warwick, Orange County

Proposed Project: Purchase a vacant 9,400-square-foot building, and fit-out the space to establish the brewery, including the purchase of furniture, fixtures, machinery and equipment

Project Type: Business expansion involving job creation

Regional Council: The project is consistent with the Mid-Hudson Regional Economic Development Council’s Plan to create manufacturing jobs, and to revitalize a vacant and neglected building that will attract young professionals and create significant tourism.

Employment: Initial employment at time of ESD Incentive Proposal: 0
 Current employment level: 1
 Minimum employment on January 1, 2024: 15

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Property Acquisition	\$265,000
Construction/Renovation	1,600,000
Furniture, Fixtures, Equipment	750,000
Marketing Costs	100,000
Soft Costs (Design/Architecture)	<u>85,000</u>
Total Project Costs	<u>\$2,800,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant (#AC849)	\$390,000	14%	
ESD-Grant (#AC634)	150,000	5%	
Sterling National Bank	1,980,000	71%	7%/5yrs/first lien on RE
Company Equity	<u>280,000</u>	<u>10%</u>	
Total Project Financing	<u>\$2,800,000</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Craft beverage

Company History: Kraftify is a small-batch, grassroots, farm/micro brewing company founded by Michael Kraai in 2014. The first location opened as a tasting room to the public in October of 2015 in Pine Island, NY. The second location in Warwick, NY, which is being funded by this grant, is currently under construction and approximately 65% complete, with a projected opening date of Spring 2020.

Ownership: The Company is privately-owned.

Size: The Company has two facilities located in Pine Island, NY and Warwick, NY.

Market: The Company's main consumers are those looking for something more than a traditional mass-marketed brew. Craft beers tend to cost more than big-name beers such as Budweiser or Coors, and they often have

complex or even challenging flavors. The target audience for a microbrewery is usually upscale, well-educated and more interested in flavor than quantity. The Company's brand is focused on creating an experience for the consumer and providing a destination worth spending a full day or weekend. The facility in Warwick, NY will also host weddings, corporate events, and various festivals.

ESD Involvement: The Company's initial brew business, built in 2015 in Pine Island, NY, quickly outgrew its small 1,500-square-foot building due to its popularity and award-winning beers. To meet excess demand, the Company was forced to outsource its production to other breweries, which has significant disadvantages, such as: higher production costs, decreased quality control, limitations to product offerings, etc. In July 2017, the Company submitted a proposal under Round 7 of the Consolidated Funding Application ("CFA") to assist with the renovation and fit-out of a vacant and neglected, 9,400-square-foot administrative building, located on 1.5 acres at the Mid-Orange Correctional Facility in Warwick, NY to be transformed into a 10-barrel production brewhouse with several additional amenities that will allow the brewhouse to host a variety of events. Due to the capital-intensive nature of the project, support from ESD was needed to fill a financing gap for this project to move forward.

As a result of the Governor's Regional Economic Development Council Initiative, the Company was awarded a \$390,000 Regional Council Capital Fund grant, and a \$150,000 Market NY grant through the CFA to bridge the financing gap for this project.

Competition: The Company is seeking to remain competitive with other high-end craft beer brands, such as Hudson Valley Brewery, Equilibrium Brewery, and Industrial Arts.

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

B. The Project

Completion: May 2020

Activity: The overall project is currently 65% complete, and the general renovations are ongoing. The manufacturing equipment has been delivered and is approximately 90% installed. To-date, the Company has completed the following areas of the project:

- Architectural plans including full set of mechanical, structural, egress, and fire safety

- Site plan and SWPP
- Environmental assessment and remediation
- Exterior site work (excavation, concrete, water main, gas main, electric main, utilities)
- Thermal & moisture protection (roofing, insulation, etc.)
- Steel and structural work
- Production equipment delivery and install (90% complete)

Results: The project is anticipated to have a tremendous economic impact on the Hudson Valley Region, including the creation of 15 full-time jobs. Being the first tourist-based business to commit to invest in this previously vacant property, the Company has acted as a catalyst to the overall renovation of Wickham Park in Warwick, NY (formerly the Mid-Orange Correctional Facility). As a result of the Company's commitment and investment at this location, numerous other businesses have made investments in the former prison site.

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 \$708,956;
- Fiscal cost to NYS government is estimated at \$540,000;
- Project cost to NYS government per direct job is \$70,365;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$27,883;
- Ratio of project fiscal benefits to costs to NYS government is 1.31:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,299,964;
- Fiscal cost to all governments is \$540,000;
- All government cost per direct job is \$70,365;
- All government cost per total job is \$27,883;

- The fiscal benefit to cost ratio for all governments is 2.41:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$8,579,808, or \$443,020 per job (direct and indirect);
- The economic benefit to cost ratio is 15.89:1;
- Project construction cost is \$1,685,000, which is expected to generate 9 direct job years and 5 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.49 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is six years.

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

Grantee Contact: Michael Kraai, President
 5 Missonellie Ct.
 Hawthorne, NJ 07506
 Phone: 973-396-7217
 E-mail: mike@pineislandbeer.com

ESD Project No.: AC634, AC849

Project Team:	Origination	Linda Malava
	Project Management	Scott Lamkin
	Contractor & Supplier Diversity	Denise Ross
	Finance	Christina Choi
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$540,000 capital grants (\$5,400) 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. The project is personally guaranteed. According to the financial documents provided, the guarantor has sufficient net worth and annual income to support the project.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the

project 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 \$540,000 will be disbursed to the Grantee in four installments as follows:
 - a) an Initial Disbursement of an amount equal to 25% of the grant (\$135,000) upon documentation of project costs totaling \$1,400,000, including \$800,000 in construction/renovation costs, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$135,000) upon documentation of additional project costs totaling \$1,400,000, including an additional \$800,000 in construction/renovation costs (cumulative total project costs of \$2,800,000, including cumulative construction/renovation costs of \$1,600,000), and upon completion of the project substantially as described in these materials as evidenced by a Certificate of Occupancy or other documentation verifying project completion as ESD may require, assuming that all project approvals have been completed and funds are available;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$135,000) will be disbursed upon documentation of the employment of at least 7 Full-time Permanent Employees at the Project Location (Employment Increment of 7), provided Grantee is otherwise in compliance with program requirements;
 - d) a Fourth Disbursement of an amount equal to 25% of the grant (\$135,000) will be disbursed upon documentation of the employment of at least 15 Full-time Permanent Employees at the Project Location (Employment Increment of 8), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require (including the mandatory project measurements/metrics form and documentation included in the Grant Disbursement Agreement). Expenses must be incurred on or after December 13, 2017, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2026.

6. ESD may reallocate the project funds to another form of assistance, at an amount no

greater than \$540,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

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

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

Baseline Employment	0
A	B
Reporting Date	Employment Goals
February 1, 2020	0+X+Y
February 1, 2021	0+X+Y
February 1, 2022	0+X+Y
February 1, 2023	0+X+Y
February 1, 2024	0+X+Y
February 1, 2025	0+X+Y
February 1, 2026	0+X+Y
February 1, 2027	0+X+Y

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=7, and Employment Goals shall equal $[0 + X = 7]$ 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.

Y = Grantee's Employment Increment that will be the basis of the Fourth Disbursement of the Grant as described in section C.5 above (i.e. Y=8, and Employment Goals shall equal $[0 + X + Y = 15]$ if the Fourth Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Fourth Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2017-2018 New York State budget and reappropriated in the 2018-2019 and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

Due to the building's eligibility for inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law ("Section 14.09"). The project is in compliance with Section 14.09.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Company shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the Project and 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 Financial Assistance Subject to Availability of Funds and Additional Approval

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

VIII. Additional Submissions to Directors

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

November 21, 2019

Regional Council Award – Warwick (Mid-Hudson Region – Orange County) – Drowned Lands Brewery Capital – Regional Council Capital Fund and Market NY Capital Appropriation (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 Drowned Lands Brewery Capital -- Regional Council Capital Fund and Market NY Capital Appropriation (Capital Grants) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Kraftify, LLC grants for a total amount not to exceed Five Hundred Forty Thousand Dollars (\$540,000) from the Regional Council Capital Fund and Market NY Capital Appropriation, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

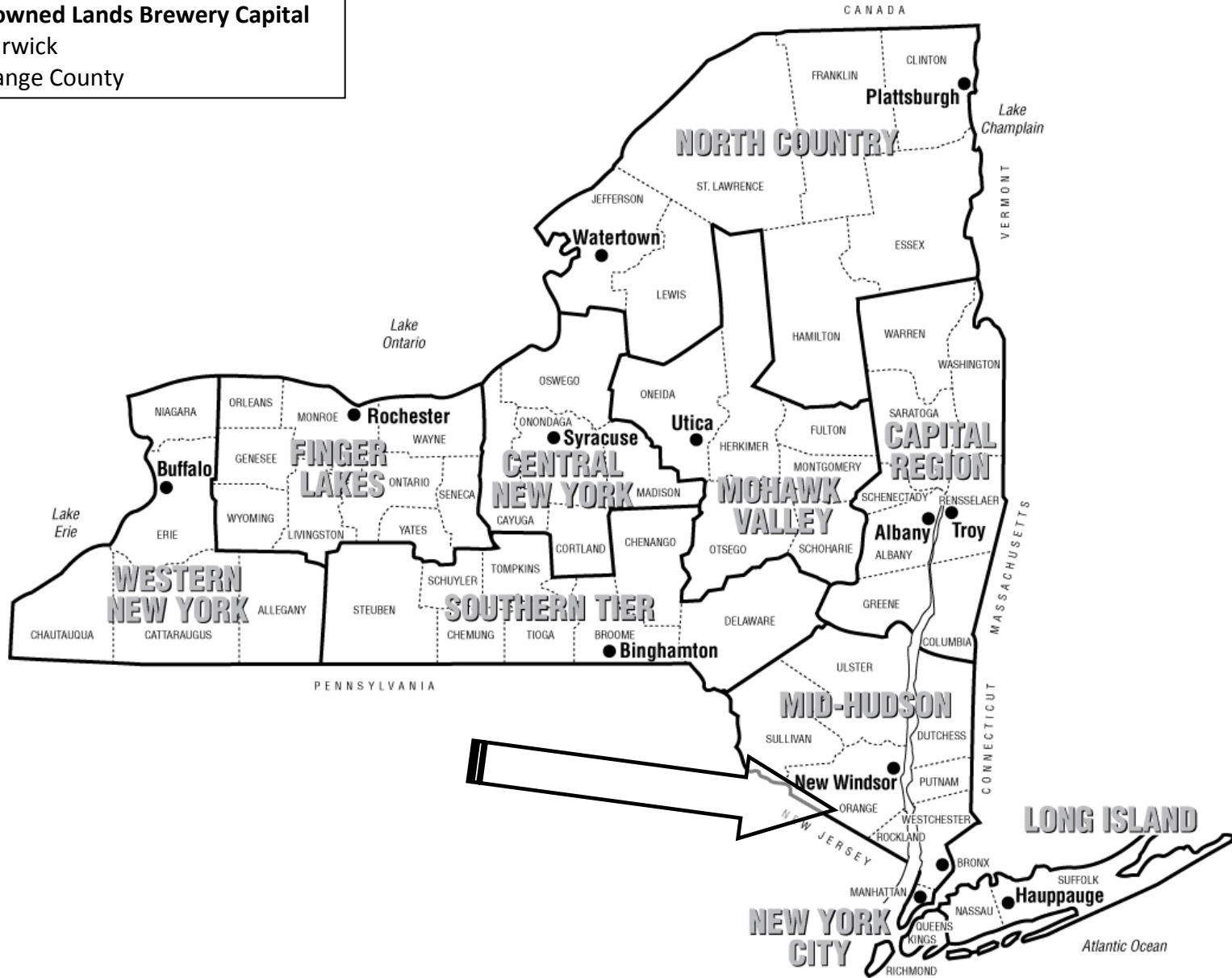
RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate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

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

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

* * *

Drowned Lands Brewery Capital
Warwick
Orange County



Project Summary
Benefit-Cost Evaluation¹
Kraftify, LLC – 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.

Initial Jobs:	0	Construction Job Years (Direct):	9
New Jobs:	15 jobs over five years	Construction Job Years (Indirect):	5

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$540,000	\$794,250	\$540,000	\$1,020,500
Fiscal Benefits⁴	\$708,956	\$2,085,600	\$1,299,964	\$4,271,980
Fiscal Cost /Direct Job	\$70,365	\$3,000	\$70,365	\$4,110
Fiscal Cost/Total Jobs	\$27,883	\$1,424	\$27,883	\$1,964
Fiscal B/C Ratio	1.31	7.00	2.41	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$8,579,808	\$119,468,000		
Econ. Benefits/Total Jobs	\$443,020	\$147,600		
Economic B/C Ratio	15.89	75.00		

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

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

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

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

⁵ 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

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award – Newburgh (Mid-Hudson Region - Orange County) – Mount Saint Mary College Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Mount Saint Mary College (the “Grantee,” or the “College”)

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

Project Location: 330 Powell Avenue, Newburgh, Orange County

Proposed Project: Renovations to Sakac Hall, the College’s existing campus dormitory, Aquinas Hall, the College’s main campus building, as well as the College’s campus athletic field

Project Type: Capital

Regional Council: The project is consistent with the Mid-Hudson Regional Economic Development Council’s Plan to match key industries with the Region’s many institutions of higher learning to create a pipeline for employment.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction & Renovation	<u>3,856,442</u>	
Total Project Costs	<u>\$3,856,442</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	13%
Grantee Equity	<u>3,356,442</u>	<u>87%</u>
Total Project Financing	<u>\$3,856,442</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Higher education

Grantee History: Mount Saint Mary College was founded in 1959 by the Sisters of Saint Dominic. It is an independent, four-year, coeducational college located in the City of Newburgh. The College provides a liberal arts education, offering 50 undergraduate programs as well as three graduate programs. The College serves approx. 2,500 undergraduate and graduate students and more than 1,200 through community education programs.

Ownership: The College is a privately owned not-for-profit organization.

Size: All facilities are located in Newburgh, NY.

ESD Involvement: In July 2017, Mount Saint Mary College applied under Round 7 of the Mid-Hudson Consolidated Funding Application to assist in funding phase II of the campus revitalization capital project, including an expansion of the Nursing and Business School instructional space, improvements to handicapped accessibility, and improvements to the athletic fields. In September 2018, the College was awarded a \$500,000 Regional Council Capital Fund grant to assist with the financing of the project. The College accepted ESD's offer in January 2019.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund - RC 2	Y322	\$1,000,000	March 28, 2014	December 31, 2017	Capital - renovate and repurpose the Dominican Center at Mount Saint Mary College

B. The Project

Completion: June 2019

Activity: The College completed renovations to Sakac Hall, the College's existing campus dormitory, Aquinas Hall, the College's main campus building, as well as the College's campus athletic field.

Results: In Sakac Hall, an extensive renovation improved air quality and created a more energy efficient building. The renovations included cleaning of ductwork, re-insulation of all pipe chases, mold remediation, and aesthetic improvements including ceiling upgrades and painting. In Aquinas Hall, renovations included the creation of six handicapped-accessible restrooms, two on each of the building's three floors. In the Schools of Business and Nursing, which are also located in Aquinas Hall, vacant space was renovated to create additional faculty offices as well as additional, larger, work spaces for students. Finally, the College's main athletic field was completely re-surfaced to improve drainage and irrigation, and a new border added to enhance the field and surrounding area.

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: Arthur D. Glass II, Vice President for Finance and Administration
330 Powell Avenue
Newburgh, NY, 12550
Phone: 845-569-3210
E-mail: arthur.glass@msmc.edu

ESD Project No.: AC939

Project Team:	Origination	Linda Malave
	Project Management	Jay Vido
	Contractor & Supplier Diversity	Denise Ross
	Finance	Rob Kwon
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. 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 or grants from a government source.
4. Up to \$500,000 will be disbursed to Grantee, upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, and documentation of construction and renovation project costs totaling \$3,721,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 13, 2017, 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 \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2017-2018 New York State budget and reappropriated in the 2018-2019 and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The College shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises (“MWBEs”) for any contractual opportunities generated in connection with the Project and 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 Financial Assistance Subject to Availability of Funds and Additional Approval

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

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Project Photographs

November 21, 2019

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Mount Saint Mary College a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

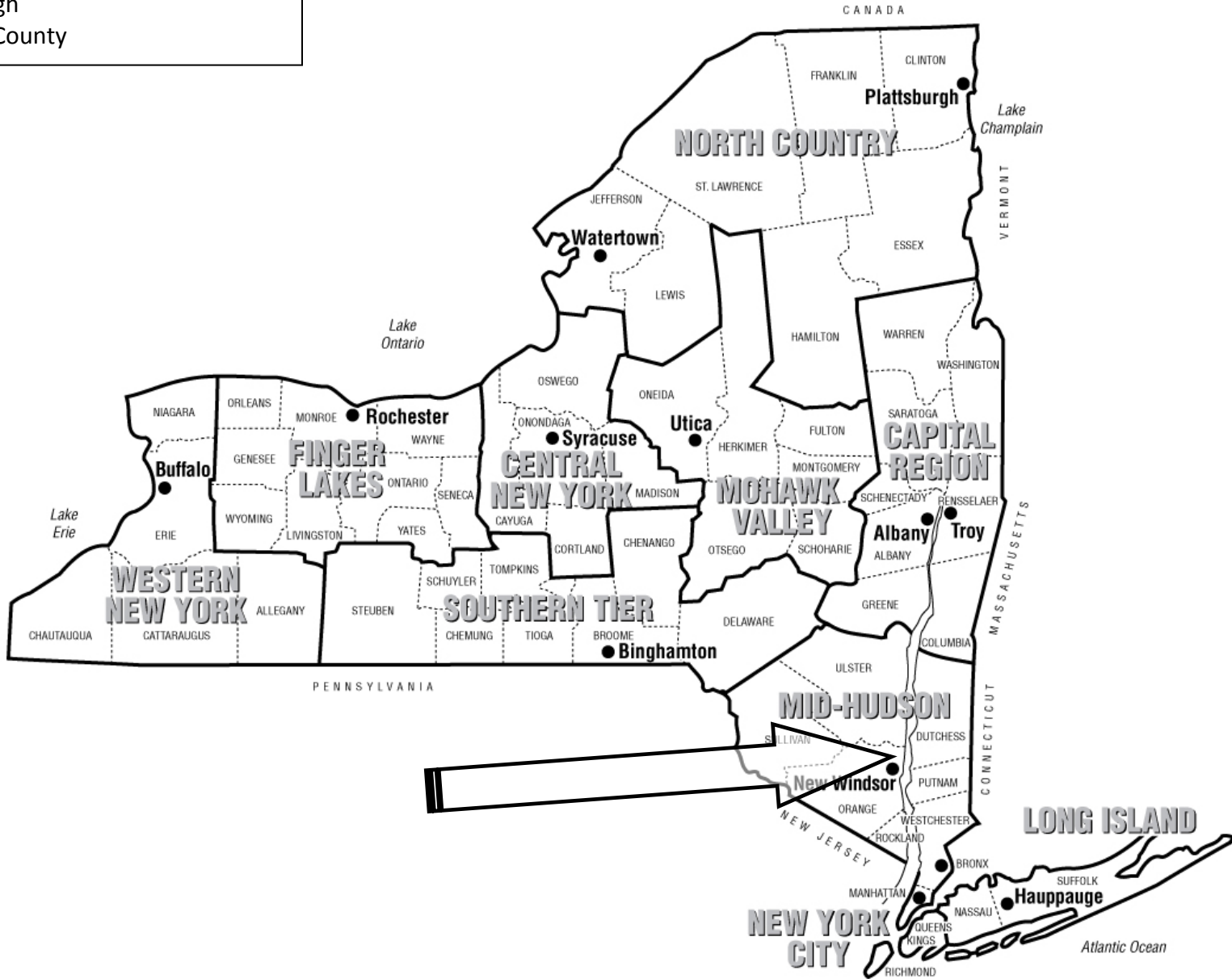
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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

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

* * *

Mount Saint Mary College Capital
Newburgh
Orange County





FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Marcy (Mohawk Valley Region – Oneida County) – Cree – Marcy
Nanocenter Capital – Nano Utica 16-17 – (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: Cree, Inc. (“Cree” or the “Company”)

ESD* Investment: A grant of up to \$500,000,000 to be used for a portion of the cost of facility design/construction, fit-out and equipping.

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

Project Location: SUNY Polytechnic Institute (“SUNY Poly”) Albany Campus, Albany County and Marcy Nanocenter, Marcy, Oneida County

Proposed Project: Design, construction, fit-out and equipping of a state-of-the-art Silicon Carbide Semiconductor Device Manufacturing facility (the “Facility”).

Project Type: Business creation, including design and construction related to specialized equipment and technology

Regional Council: The Mohawk Valley Regional Economic Development Council has been made aware of this item. The project is consistent with the Mohawk Valley Regional Economic Development Council Plan strategy to develop STEM intensive industries and traded sectors.

Employment:	Initial employment at time of Application to ESD:	0
	Current employment level:	0
	Minimum employment on Year 8:	614

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Design/Construction	\$183,000,000	
Facility Fit-Out	300,000,000	
Machinery & Equipment*	<u>522,000,000</u>	
 Total Project Costs	 \$1,005,000,000	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD-Grant	\$500,000,000	49.8%
Company Equity	<u>505,000,000</u>	<u>51.2%</u>
 Total Project Financing	 \$1,005,000,000	 100.0%

*includes \$122M in equipment currently owned by Cree that will be transferred to Marcy

III. Project Description

A. Company

Industry: Cree is one of the world’s leading innovators and manufacturers of wide bandgap semiconductors, which hold advantages to incumbent technologies in conserving, converting and utilizing energy leading to increased efficiency, higher switching frequency and reduced system size and weight in a variety of applications in the communications, industrial, energy and transportation markets. As a company, Cree is committed to green business operations and holds an ISO14001 Certificate for implementing an Environmental Management System.

Company History: In the early 1980s, six graduates of North Carolina State University were seeking ways to leverage the properties of silicon carbide to enable semiconductors to operate at higher operating temperatures and power levels; in 1987, the founders devised a way to grow silicon crystals in a laboratory and subsequently founded Cree Research, Inc., which was later changed to Cree in 1999. The Company was the first to introduce blue LED lighting allowing for the development of large, full-colored video screens and billboards; in 1991, it released the world’s first commercial silicon carbide wafer; and, after a series of acquisitions, expanded its products to include automotive lighting and charging devices, flat screen

monitor devices, lighting controls, uninterruptible power supplies, etc. In 2014 the company created a new division – Wolfspeed, dedicated to developing the most advanced SiC and Gallium Nitride power systems.

- Ownership:** Cree is a publicly-traded company (Nasdaq: Cree).
- Size:** Headquartered in Durham, North Carolina, the Company employs over 6,300 in facilities located in North Carolina, California, Arkansas, Sweden, Taiwan, China, Germany, Hong Kong, Japan, and Malaysia.
- Market:** Cree products have applications in the communications, industrial, energy and transportation markets, including electric vehicles, solar PV installations, and data centers.
- ESD Involvement:** In the FY 2016-17 state budget, \$638,000,000 was appropriated for economic development projects at the Marcy Nanocenter site and other locations in Oneida County. The effort at Marcy has been led by Mohawk Valley EDGE (Economic Development Growth Enterprise Corporation), a not-for-profit development corporation, which has been responsible for readying the site for development. To date, New York State has invested over \$110 million to build-out the infrastructure at the Marcy site including site work, roads, sewer, electrical and other utilities, as well as initiate design work, in order to make the site shovel ready for a chip fabrication facility.
- In addition, ESD has approved grants totaling \$100 million to support the New York Power Electronics Manufacturing Consortium (“PEMC”) project located at SUNY Poly’s Albany Campus and led by Fuller Road Management Corporation, a not-for-profit affiliate of SUNY Poly. The PEMC project is a public-private partnership that developed a pilot, state-of-the-art silicon carbide (“SiC”) manufacturing line to produce SiC wafers. SiC based power electronic devices have significant advantages over silicon (“Si”), including the capacity to handle much higher frequencies and temperatures, which decreases the size and cost for companion filtering and cooling systems resulting in devices that can be half the size of similar Si devices.
- Competition:** The project was initially announced in May 2019 to be built in an existing facility owned by Cree in Durham, NC. Due to ESD assistance, and Cree’s recognition of the value of the PEMC to its roadmap, and the existing talented workforce, education and research ecosystem in upstate NY, chose to reconsider that May decision and move the investments to Marcy, NY.
- Past ESD Support:** This is the Grantee’s first project with ESD.

B. The Project

Completion: December 2021

Current Activity: The Cree project represents the culmination of the PEMC project and the infrastructure investments made at the Marcy Nanocenter site. As part of the project, Cree will operate on SUNY Poly's Albany campus using the current SiC PEMC line until such time as the construction of the new Facility being partially funded by ESD is complete. At that time, the PEMC equipment will be transferred to the Marcy Facility for use by Cree. The approximately 557,000-square-foot, newly-constructed, multi-structure Marcy Facility is expected to include 448,000 square-foot dedicated to manufacturing, including approximately 100,000 – 135,000 square-foot of multi-level cleanroom space. The remaining Facility footprint will include administrative functions as well as central utilities and chemical and other storage; related improvements include driveways, interior access roads, sidewalks, parking lots, landscaping and signage. Cree will own all real estate improvements, which will be constructed on 55.25 +/- acres of land owned by SUNY that is leased to EDGE. The term of the sublease to Cree is expected to be 49 years.

In addition to construction and operation of the Facility by Cree, it is anticipated that a SUNY-Cree partnership will develop a curriculum to provide engineer graduates with training, internships and experience related to power electronics and the new generation microchip fabrication.

Results: Cree will invest approximately \$1 billion over the first six years of the project to construct and equip a new, state-of-the-art, highly automated, world's-first, 200mm silicon carbide wafer fabrication facility. Achieving the full capacity fit-out of the Facility, if and when completed, is estimated to result in at least \$200 million in additional capital expenses to be incurred by Cree in years 7 through 10 of the project to fit-out the Facility.

This investment also includes a \$30 million research and development commitment by Cree and plans to create 614 full-time highly-skilled technician and engineering positions with average employee salaries of \$75,000 per year at the Marcy site.

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 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 twenty-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$138,898,030;
- Fiscal cost to NYS government is estimated at \$500,703,200;
- Project cost to NYS government per direct job is \$815,478;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$421,467;
- Ratio of project fiscal benefits to costs to NYS government is 0.27:1;
- Fiscal benefits to all governments (state and local) are estimated at \$232,335,000;
- Fiscal cost to all governments is \$500,703,200;
- All government cost per direct job is \$815,478;
- All government cost per total job is \$421,467;
- The fiscal benefit to cost ratio for all governments is 0.46:1;
- GDP (Gross Domestic Product. The market value of goods produced and services provided in a country/state during project period) is \$4,302,801,865;
- Project construction cost is \$482,700,000, which is expected to generate 3,639 direct job years and 1,635 indirect job years of employment;

Grantee Contact: Mr. Jason Jenny, Director, Industrial Engineering
4600 Silicon Drive
Durham, NC 27703
Phone: 919-313-5421
Email: jjenny@cree.com

ESD Project No.: 133,153

Project Team:	Origination	Mark Reynolds
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Danielle Adams
	Finance	Christina Choi
	Design & Construction	Ethan Morrissey
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Company shall pay a commitment fee 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 shall be required to employ at least the number of Full-time Permanent Employees set forth 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 twelve 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 twelve 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.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
5. Up to \$500,000,000 will be disbursed to the Grantee during the course of construction and equipping of the Facility to reimburse a portion of the \$883,000,000 capital project costs incurred by Cree in accordance with the following:
 - a. Cree will fund 100% of the costs to construct the Facility.
 - b. ESD will reimburse Grantee at a rate of 59.5% for Cree's capital-related design/construction expenses of fitting out the facility up to \$300,000,000, with ESD's total reimbursement for such costs not to exceed \$178,500,000. A portion of ESD's reimbursement will be withheld until such time as the Grantee obtains a certificate of occupancy ("C of O") for the Facility and/or (2) Grantee has obtained a C of O for the Facility and the Facility is ready for equipment.
 - c. ESD will reimburse Grantee for machinery and equipment costs incurred by Cree (1) at a rate of 100% for Grantee's capital expenses incurred for machinery and equipment that is delivered and installed directly at the Facility; and (2) at a rate of 50% for Grantee's capital expenses incurred for all other machinery and equipment purchased by Cree for the project. ESD's reimbursement for machinery and equipment will not exceed \$321,500,000, unless construction expenses reimbursed

by ESD as stated in Section 6(a) are less than \$178,500,000. A portion of ESD's reimbursement for machinery and equipment costs will be withheld until Grantee provides evidence to ESD that Grantee has relocated existing equipment currently owned by Grantee with a combined initial purchase price of at least \$122,000,000 to the Facility.

6. The grant or a portion thereof, will be subject to recapture in the event the Grantee abandons construction of the Facility or fails to meet 85% of the employment commitments stated in the following table:

Year following issuance of a C of O	Full-Time Permanent Employment Commitment	Annual Capital Contribution to be Permanently Reduced/Subject to Recapture for Failure to Achieve Employment Commitments
1	37	\$ 50,000,000
2	270	\$ 50,000,000
3	321	\$ 50,000,000
4	350	\$ 50,000,000
5	414	\$ 50,000,000
6	488	\$ 50,000,000
7	564	\$ 50,000,000
8	614	\$ 50,000,000
9	614	\$ 50,000,000
10	614	\$ 50,000,000

In addition, Grantee will be required to commit to invest in research and development expenses in accordance with the table below. Failure of Grantee to meet such commitment in any year, will require Grantee pay to ESD, or, at ESD's discretion, to SUNY or to any affiliate of SUNY, the difference between the amount of cumulative research and development expenses actually incurred by Grantee at the end of such year and the amount Grantee is required to incur.

Year	Cumulative Research and Development Investment Commitment
1	\$1,000,000
2	\$4,000,000
3	\$5,500,000
4	\$7,000,000
5	\$9,000,000
6	\$12,000,000
7	\$16,000,000
8	\$20,000,000
9	\$25,000,000
10	\$30,000,000

IV. Statutory Basis – Nano Utica 16-17

The funding was authorized in the 2016-2017 New York State budget and reappropriated in the 2017-2018, 2018-2019 and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Design & Construction

Submission of payment requisitions to ESD will be made according to the design and construction disbursement terms outlined in the Grant Disbursement Agreement. ESD reserves the right to inspect the project site to insure compliance of these terms and monitor project progress.

VI. Environmental Review

ESD staff has determined that the proposed Cree operation within existing space at SUNY Poly's Albany campus, 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 (6 NYCRR Part 617). No further environmental review is required in connection with this portion of the project.

With respect to the construction of the proposed Cree facility at the Marcy Nanocenter site, pursuant to SEQRA, ESD Directors adopted SEQRA Findings on May 17, 2007 based on the Final Generic Environmental Impact Statement ("FGEIS") and supplemental analyses for the Marcy Nanocenter project. By adoption of SEQRA Findings, the Directors certified that the requirements of 6 NYCRR Part 617 have been met. In addition, on July 21, 2016, in connection with previous approval of funding for the Marcy Nanocenter project, the Directors made a Determination of No Significant Effect on the Environment based on supplemental SEQRA reviews for subsequent modifications to the Marcy Nanocenter project including zoning changes for additional parcels, amendment to the preliminary planned development and approval of an electrical interconnection project. The previous findings and determination addressed all aspects of the proposed Cree project at the Marcy Nanocenter site. Therefore, no further environmental review is required in connection with the Cree project at the Marcy Nanocenter site.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women 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 MWBE Participation. Establishment of specific goals related to the total value of ESD's funding is still pending.

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

Project Photographs

November 21, 2019

Marcy (Mohawk Valley Region – Oneida County) – Cree – Marcy Nanocenter Capital – Nano Utica 16-17 (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 the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Cree Inc. a grant for a total amount not to exceed Five Hundred Million Dollars (\$500,000,000) from the Nano Utica 16-17 Fund for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

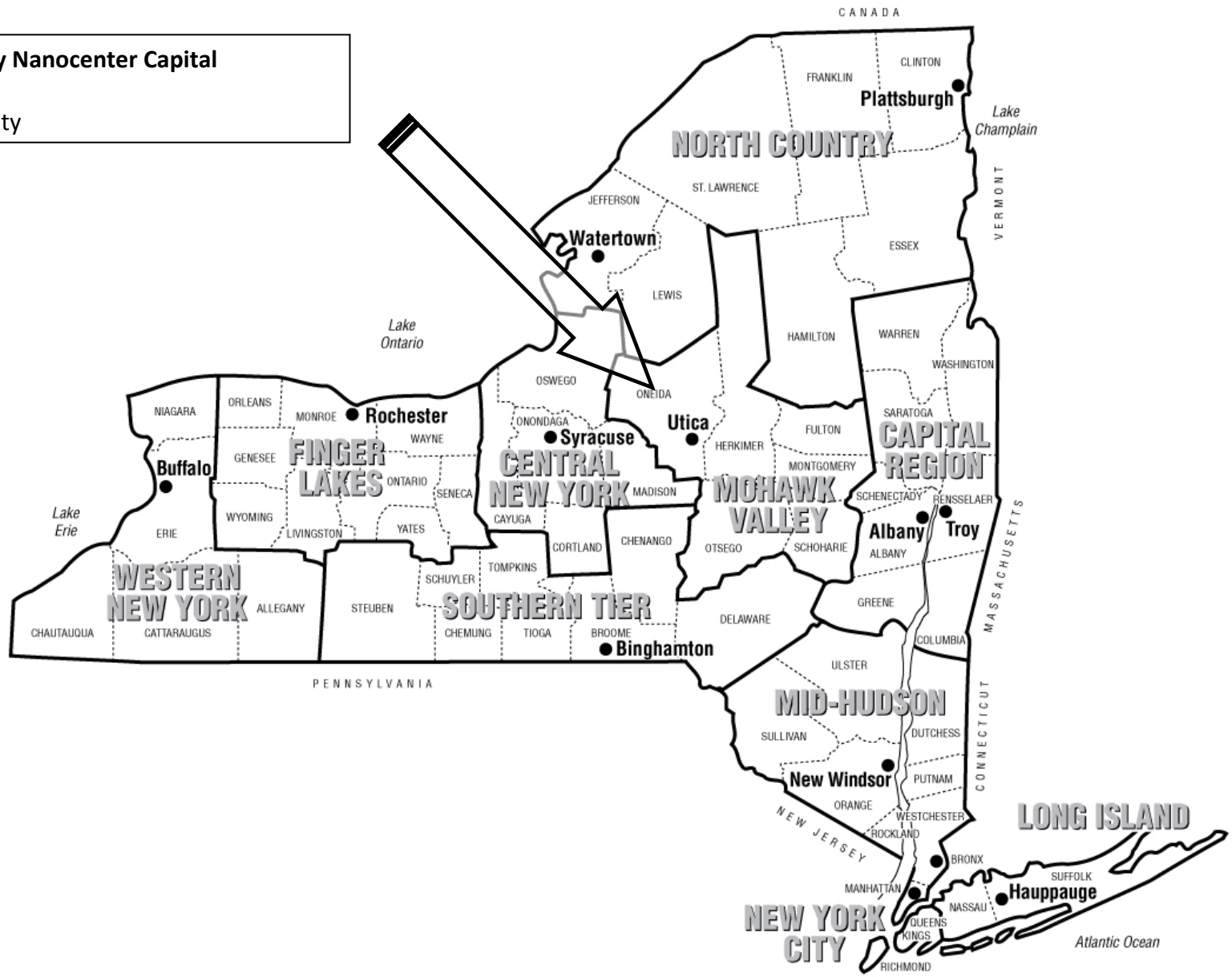
RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate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

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

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

* * *

Cree – Marcy Nanocenter Capital
 Marcy
 Oneida County



**Project Summary
Benefit-Cost Evaluation¹**

Cree, Inc. – Business Investment

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

Initial Jobs:	0	Construction Job Years (Direct):	3,639
New Jobs:	614 over eight years	Construction Job Years (Indirect):	1,635

Evaluation Statistics	Project Results NYS Gov't.	Project Results State & Local Government
Fiscal Costs²	\$500,703,200	\$500,703,200
Fiscal Benefits³	\$138,898,030	\$232,335,000
Fiscal Cost /Direct Job	\$815,478	\$815,478
Fiscal Cost/Total Jobs	\$421,467	\$421,467
Fiscal B/C Ratio	0.27	0.46
	Project Results	
GDP⁴	\$4,302,801,865	

¹ Results are from an economic impact analysis performed by ESD, in consultation with REMI, Inc., using the REMI model. Dollar values are present value calculated over a twenty-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

² Fiscal cost includes the value of State grants, loans and associated default risks, and discretionary State subsidies (such as tax exemptions or abatements on sales, property, and interest income).

³ Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes, prior to adjusting for any local tax exemptions, estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁴ GDP: Gross Domestic Product. The market value of goods produced and services provided in a country/state during project period.

Cree – Marcy Nanocenter Capital – Nano Utica 16-17 – Capital, #131,153

Current Aerial View:



Project Renderings:



FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Statewide – Restore New York Communities – Capital Grants

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

General Project Plan

I. Projects Summary

	Grantee	Project Name	Project #	Grant	Village, Town, City	County
A.	City of Cohoes	City of Cohoes - 95 Remsen Street Renovations RESTORE NY V	131,731	\$631,000	Cohoes	Albany
B.	City of Ogdensburg	City of Ogdensburg - BOA RESTORE IV	AB795	\$500,000	Ogdensburg	St. Lawrence
	Total RESTORE NY – 2 Projects	TOTAL		\$1,131,000		

II. Program Description

A. Background

The purpose of the Restore New York Communities Initiative (“Restore NY” or the “Program”) is to revitalize urban areas and stabilize neighborhoods as a means to attract residents and businesses. Restore NY funds municipally sponsored projects for the demolition, deconstruction, rehabilitation, or reconstruction of vacant, obsolete or surplus structures. Since 2006, ESD has received \$300 million in appropriations for Restore New York to fund three rounds of projects. The appropriations were allocated as follows: up to \$50 million in FY 2006-2007; \$100 million in

FY 2007-2008; and \$150 million in FY 2008-2009.

In the FY 2015-2016, \$25 million was appropriated in the New York State budget for Round IV of Restore NY. In addition, \$25 million of unused funds from previous Restore NY appropriations were also allocated to Round IV for a total of \$50M. On June 20th, 2016, applicants were informed of eligibility to apply under the Program, and in January 26, 2017, awardees were announced. Following the issuance of an RFP in June 2016, a total of 75 municipalities were selected in January 2017 for funding assistance under Round IV.

In the FY 2017-2018, \$70 million was appropriated for Round V of the Restore NY program. The application process was opened on August 17, 2017, and awardees were announced on March 26, 2018. A total of 71 municipalities were awarded funding under Round 5. It is anticipated that upon completion the projects funded by New York State will attract individuals, families, industry, and commercial enterprises to the municipalities.

B. The Project

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

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

III. Statutory Basis

The funding was authorized in the 2007-2008 New York State budget and reappropriated in the 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

IV. Environmental Review

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

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's

Non-discrimination and Contractor & Supplier Diversity policies will apply to the Projects.

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

VI. ESD Employment Enforcement Policy

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

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

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

VIII. Additional Submissions to Directors

Resolutions
Project Summaries
New York State Map

November 21, 2019

Statewide – Restore NY Communities (Capital Grants) – Findings and Determinations Pursuant to Sections 10(g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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

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

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

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

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

Restore New York Communities Initiative Program – Project Summary Table

	Grantee	Project Name	Project #	Grant	Village, Town, City	County
A.	City of Cohoes	City of Cohoes - 95 Remsen Street Renovations RESTORE NY V	131,731	\$631,000	Cohoes	Albany
B.	City of Ogdensburg	City of Ogdensburg - BOA RESTORE IV	AB795	\$500,000	Ogdensburg	St. Lawrence
	Total RESTORE NY – 2 Projects	TOTAL		\$1,131,000		

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

* * *

A. City of Cohoes - 95 Remsen Street Renovations RESTORE NY V (131,731)

November 21, 2019

General Project Plan

- Grantee:** City of Cohoes (the “City”)
- Beneficiary Company:** Gladue Properties LLC
- ESD Investment:** A grant of up to \$631,000 to be used for a portion of the cost of renovation, infrastructure, and site work
- Project Location:** 95 Remsen Street, Cohoes, Albany County
- Proposed Project:** Renovation of 95 Remsen Street, a vacant two-story building, and creation of a mixed-use, commercial and residential development
- Project Type:** The rehabilitation of a building to revitalize a neighborhood as part of the City’s master plan.
- Regional Council:** The Capital Regional Council has been made aware of this item. The project is consistent with the regional plan of bringing cities to life by rehabilitating a vacant building in the City’s downtown area.

Background:

Grantee History – The City of Cohoes formed due to its location at the confluence of the Hudson and Mohawk Rivers. Originally settled by the Dutch in the 1600s, several waves of immigrant workers emigrated to Cohoes from all across Europe and businesses and workforce housing were built along the mills. Until the 1980s, Cohoes, particularly Remsen Street as the central business district, brought regional shoppers for bargains at the Cohoes Manufacturing and Cohoes Furniture stores. However, since both residents and industry capitalized on the rivers, the City is now laden with contaminants and empty buildings since the industry has moved out. The recent housing bubble has caused the City to have high property values and an aging housing stock that requires maintenance, ultimately resulting in over one hundred vacant buildings, and even more underutilized buildings throughout the city. The concurrent population decrease, from 24,000 at the highest, down to the current 16,500 has deterred businesses from deciding to invest in the community. As an aging industrial city, Cohoes is also up against aging infrastructure, older building stock, the loss of tourism, businesses and industry. The City has only recently started to take the steps to resolve these issues through infrastructure investments and aggressive economic development activities.

City of Cohoes - 95 Remsen Street Renovations RESTORE NY V (131,731)

November 21, 2019

ESD Involvement – The City recently updated their Comprehensive Plan, with the main focus on revitalizing the downtown as a dense, walkable core of the community. The updated Comprehensive Plan posited zoning code updates to support that vision, including the creation of more detailed districts within the downtown, as well as a form-based code to inform the appearance of structure. This project supports both the residential and commercial components to the new plan. Restore V funding will further the City’s on-going strategy to build and sustain healthy neighborhoods by leveraging a variety of public and private resources. The grant was awarded in December 2017, and the City was sent an offer in April 2018.

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

The Project:

Completion – October 2019

Activity – The project involves the renovation of a vacant, commercial building at 95 Remsen Street in Cohoes. This two-story, 9,400-square-foot building has been vacant for years on one of the main streets in downtown Cohoes. The building previously housed a medical practice on the first floor, and private offices on the second floor, and was vacant for five years due to the businesses leaving before the City applied for grant funding.

The first floor of the building was redeveloped into commercial space, and the second floor has been renovated into eight “micro-apartments” that range in size from 300-square-feet to 550-square-feet. The building has been fitted out with all new electrical and plumbing, which brings it up to current code. The developer, Gladue Properties, LLC, also renovated the roof of the building to include a 600-square-foot rooftop deck for residents to enjoy. The first floor is split into two commercial spaces, a 3,000 square-foot dance studio and a 1,200 square-foot café and bistro.

Results – The renovated building already has two commercial tenants, a cafe and a dance studio that are both operational and open. The project will help generate further downtown development in the City. Restore NY funds are critical to the success of this 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.

City of Cohoes - 95 Remsen Street Renovations RESTORE NY V (131,731)

November 21, 2019

Financing Uses	Amount	Financing Sources	Amount
Acquisition	\$176,396	ESD Grant	\$631,000
Renovation	719,684	City Equity*	50,000
Indirect/Soft Costs	81,550	National Grid Grant	50,000
		Pioneer Bank - Loan**	70,234
		Developer Equity	176,396
Total Project Costs	\$977,630	Total Project Financing	\$977,630

**Source of equity is \$50,000 from the City and \$175,000 from the Developer.*

***5.25apr/5-year construction loan*

Grantee Contact- Stephen Napier, Counsel Member
 City of Cohoes
 106 Harvard Street
 Cohoes, NY 12047
 Phone: 518-892-3854
 E-mail: snapier@ci.cohoes.ny.us

Beneficiary Contact- Gladue Properties LLC
 9 Ponderosa Drive
 Halfmoon, New York 12065
 Phone: (518) 788-8399
 E-mail: lukegladue@hotmail.com

Project Team-

Project Management	Chelsey Watroba
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The City will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$631,000 will be disbursed to Grantee, in a lump sum, and in proportion to ESD's funding share, upon documentation of project costs totaling \$969,450 and upon completion of the project substantially as described in these materials, as evidenced by

City of Cohoes - 95 Remsen Street Renovations RESTORE NY V (131,731)

November 21, 2019

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 December 15, 2017 to be considered reimbursable project costs.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$631,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental Review:

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

Due to the building's inclusion in the New York State and National Registers of Historic Places as well as within the Downtown Cohoes Historic District, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

Non-Discrimination and Contract & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The City shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the Project and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

Statutory Basis – Restore NY Communities:

The funding was authorized in the 2017-2018 New York State budget and reappropriated in the 2018-2019 and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

B. City of Ogdensburg - BOA RESTORE IV (AB795)

November 21, 2019

General Project Plan

- Grantee:** City of Ogdensburg (“Ogdensburg” or the “City”)
- ESD Investment:** A grant of up to \$500,000 to be used for a portion of the cost demolition and environmental remediation of two blighted buildings totaling 79,842-square-feet
- Project Locations:** Ogdensburg, St. Lawrence County
17 Main Street
420 Lafayette Street
- Proposed Project:** The demolition of two abandoned and blighted buildings
- Project Type:** The demolition of properties to provide for new economic opportunities as part of the City’s master plan
- Regional Council:** The North Country Regional Council has been made aware of this item. The project is consistent with the Regional Plan to invest in community development infrastructure that expands opportunities and capacity.

Background:

Grantee History – The City of Ogdensburg, a historic city dating back to mid-1700’s and chartered in 1868, is a small community of 11,128 residents, located on the St. Lawrence River- the international boundary with Canada; directly across the river from the Canadian towns of Prescott and Brockville, Ontario. The City stretches for over seven miles along the southern shores of the St. Lawrence River, approximately midway along the River which spans the area between Lake Ontario and the Gulf of St. Lawrence. An international port city, Ogdensburg was once a vibrant hub of industrial and commercial activities in the North Country, connecting the Great Lakes and New England.

While Ogdensburg itself is a semi-rural city, it is within an easy drive of a population of over 2.5 million people. The City's location has been the historical source of its significance, first as a strategic military outpost, then as a regional economic hub. Ogdensburg is home to the Ogdensburg-Prescott International Bridge which links New York State to Canada. The presence of the bridge means that Ogdensburg is accessible to the two major Canadian cities of Ottawa (62 miles) and Montreal (119 miles). To its south, Ogdensburg is also close to Syracuse, NY (128 miles), a major retail and university center. Until the 1950s, Ogdensburg's physical character remained essentially unchanged, with dense concentrations of retail and business activity. An

City of Ogdensburg - BOA RESTORE IV (AB795)

November 21, 2019

international ferry located downtown served these uses and made the City a magnet for cross-border traffic and trade. However, since the mid-20th century, downtown Ogdensburg has experienced dramatic changes. The St. Lawrence Seaway, which connects the Great Lakes to the Atlantic Ocean, produced unprecedented industrial growth. The completion of the Ogdensburg-Prescott International Bridge in 1960 triggered the demise of the international ferry and the construction of Routes 37 and 68 as part of the Crescent Urban Renewal Program in the 1970s resulted in considerable realignment of road traffic away from the City's downtown core.

The City experienced economic decline during the 1970s and 1980s, resulting in the loss of hundreds of jobs. Several industrial waterfront parcels were left abandoned, vacant, or otherwise underutilized. Today, these parcels represent a significant development opportunity for Ogdensburg and are the subject of recent comprehensive planning initiatives including a designated Brownfield Opportunity Area Plan and Local Waterfront Revitalization Program Amendment.

ESD Involvement – As a fiscally distressed city, Ogdensburg does not have the financial resources to conduct required asbestos abatement and demolition required at blighted and abandoned properties. Conducting necessary abatement and demolition promotes investment, creating the opportunity for private investment that will return the project parcels into productive community assets in keeping with the established community vision of the City's Downtown Waterfront Brownfield Opportunity Area ("BOA") Plan.

The Step II BOA Plan is the primary, community-based plan the City uses to guide community revitalization. Ogdensburg's BOA received designation on August 22, 2016. The application for Restore funding was finalized in September 2016, based on advancing short-term recommendations within that plan. Specifically, this project advances the recommendation to pursue property tax foreclosure on 17 Main Street, followed by blight removal of the dilapidated structures. The BOA also refers to 420 Lafayette Street as a potentially catalytic site, in need of asbestos abatement and potential demolition. The City has utilized this planning document as the basis to develop a marketing approach for seeking redevelopment proposals for both sites.

In September 2016 Ogdensburg applied under Round IV of Restore New York and was awarded a \$500,000 grant in February 2017. Restore NY funds are critical to the success of this project.

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

City of Ogdensburg - BOA RESTORE IV (AB795)

November 21, 2019

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
UCDP – RC 3 Strategic Planning	Y832	\$22,405	June 20, 2016	December 31, 2018	Working Capital Grant - Feasibility study/ development plan to potentially develop an Oswegatchie River Blueway Trail.
RestoreNY Comm 07-08	W068	\$700,000	July 15, 2010	December 31, 2014	Capital Grant - Asbestos abatement and building demolition of 10 buildings in former Shade Roller site.
Local Assistance (S)	AB314	\$17,500	February 15, 2017	December 31, 2018	Working Capital Grant - Promotion of fishing tournaments including the NYS Junior Bass Master Tournament
Local Assistance (S)	AA714	\$32,500	April 21, 2016	December 31, 2017	Working Capital Grant- Promotion of Fishing Tournaments, including the NYS Bass Masters and the NYS Junior Bass Masters.
Local Assistance (S)	AA263	\$5,000	January 21, 2016	TBD	Working Capital Grant- Fishing tournament promotion
Local Assistance (S)	Z500	\$12,500	March 19, 2015	December 31, 2016	Working Capital Grant - Promotion of Fishing Tournaments, including the NYS Bass Masters and the NYS Junior Bass Masters.

City of Ogdensburg - BOA RESTORE IV (AB795)

November 21, 2019

The Project:

Completion – June 2019

Activity – The project included the demolition of two blighted buildings in downtown Ogdensburg; 17 Main Street and 420 Lafayette Street. Both properties were vacant before the City acquired them through property tax delinquency. 420 Lafayette Street was acquired by the City in July 2011, while 17 Main Street was acquired in of June 2016.

17 Main Street was a 28,820-square-foot structure that previously was utilized for various commercial and industrial processes including E.D. Briggs Co., auto sales and showroom; Grocery and Gas Station, Fire Department, and Gris Mill. 420 Lafayette Street was a former 82-bed nursing home facility. Prior to the use of the site as a nursing home, the site contained a church that was lost to fire damage.

ESD funding supported the necessary abatement and demolition, along with supportive site improvements. These site improvements included engineering services to design improvements to the East River Pump Satiation to help accommodate additional flows from eventual development of 17 Main Street. The City also completed access improvements to the sidewalks within the target area adjacent to 17 Main Street.

Currently, the zoning for 17 Main Street is Residential Business (R/B). The site is in the City's mixed-use zoning district that strives to attract development plans with street level activity and upper level office, or residential space. 17 Main Street is located to support mixed use developments with street frontage on Main Street, West River Street and Gibbs Street in the heart of the Marina District, just blocks from the Ogdensburg's Hospital. While a range of uses are permitted within the R/B zoning district, the City will be seeking development proposals that would maximize the reuse potential and would include upper level residential development.

420 Lafayette Street is an approximately 2-acre site that is located in the City's Moderate Density Residential (MDR) zoning district. The parcel is adjacent to primarily single-family neighborhoods, within walking distance to the City's high school. The site is large enough that a developer could apply for a Planned Development District which would provide greater flexibility for redevelopment and reuse. The City will be targeting the site for residential redevelopment, with a focus on townhouse style development. This type of development could provide greater density to a developer, while still maintaining a residential character that would increase housing options within the community.

Results – Both sites involved in the project have not been redeveloped at this time, though the demolition and remediation of the sites are complete. However, the sites present opportunities for residential development that would improve available housing options in

City of Ogdensburg - BOA RESTORE IV (AB795)

November 21, 2019

the region. Between the two sites, there is a possibility for as many as 40 new housing units that would directly benefit the local economy by allowing more individuals and families to move into the region.

The City is currently working on a marketing strategy for these sites, and they were included in the City’s 2019 DRI application as a strategic investment opportunity within the downtown. At this time there are no concrete redevelopment plans.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Demolition	\$322,609	ESD Grant	\$500,000	89%
Environmental Remediation	41,622	City Equity	64,571	11%
Site work	59,574			
Asbestos Abatement	133,739			
Other (scoping/pre-development)	7,027			
Total Project Costs	\$564,571	Total Project Financing	\$564,571	100%

Grantee Contact- Andrea Smith, AICP, Director of Planning and Development
330 Ford Street - Room 11
Ogdensburg, New York 13669
Phone: 315-393-7150
E-mail: asmith@ogdensburg.org

Project Team- Project Management Chelsey Watroba
Contractor & Supplier Diversity Danah Alexander
Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. City will contribute at least a 10% match of the grant amount to the Project.
4. Up to \$500,000 will be disbursed to Grantee in a lump sum, in proportion to ESD’s funding share, upon documentation of demolition, remediation, site work, abatement and pre-development project costs totaling \$564,571 and upon completion of the

City of Ogdensburg - BOA RESTORE IV (AB795)

November 21, 2019

project substantially as described in these materials, as evidenced by a certificate of code of completion or other documentation as ESD may reasonably require to demonstrate project completion, 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 October 3, 2016 to be considered reimbursable project costs.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental Review:

The City of Ogdensburg Planning Board, as lead agency, has completed an environmental review of the demolition projects, 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 projects to be Unlisted Actions, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on September 6, 2016. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

No specific future redevelopment plan for the subject properties is currently proposed. At such time that any future redevelopment plan is proposed, it will be subject to review under SEQRA.

Non-Discrimination and Contract & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize certified Minority- and Women-owned Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

Statutory Basis – Restore NY Communities:

The funding was authorized in the 2016-2017 New York State budget and reappropriated in the 2017-2018, and 2018-2019 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Attachment: Resolution

November 21, 2019

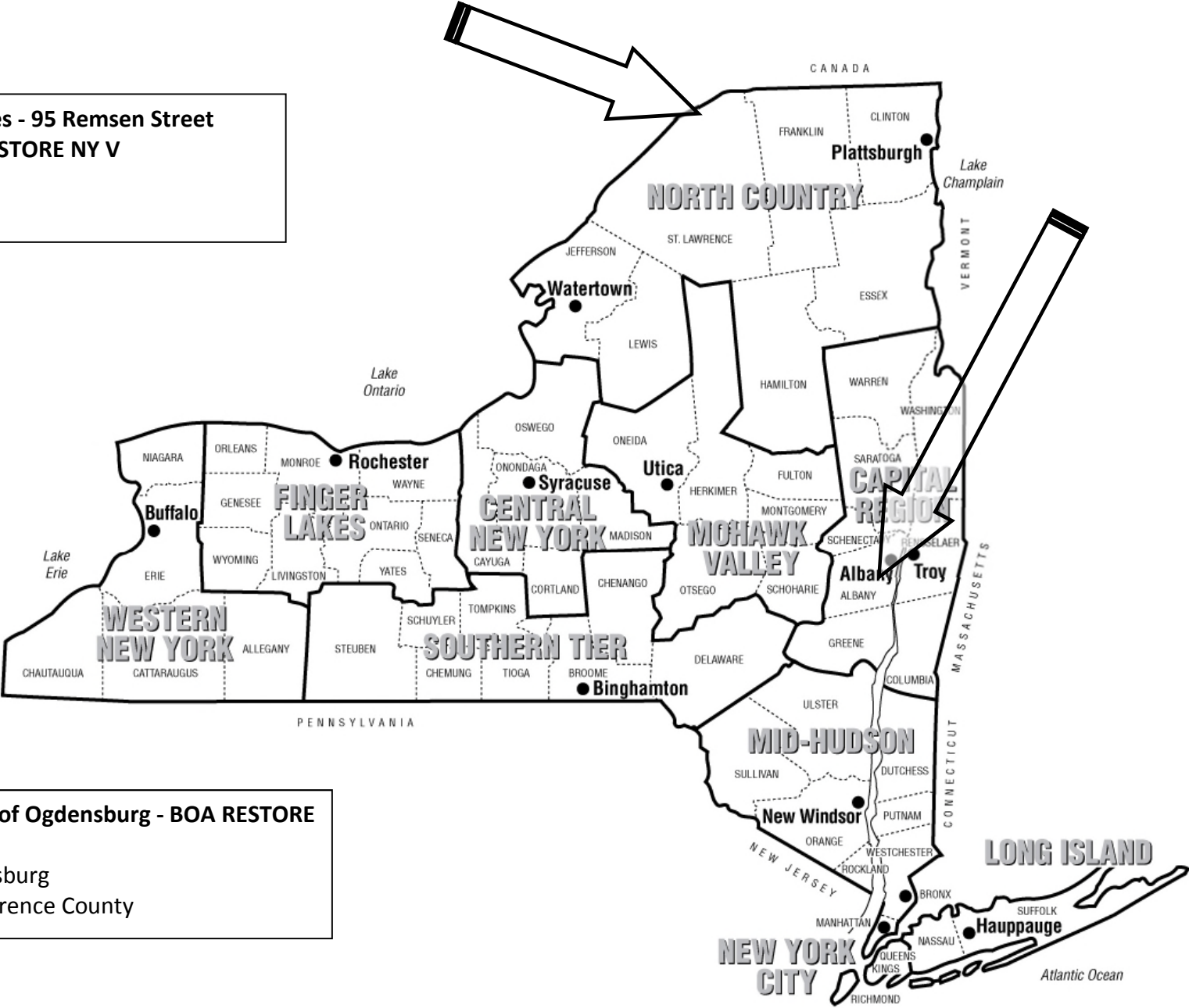
Ogdensburg (North Country Region – St. Lawrence County) – Ogdensburg BOA RESTORE IV – RestoreNY Comm 16-17 Capital – Determination of No Significant Effect on the Environment

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

* * *

Restore New York Communities Initiative Project Map

**A. City of Cohoes - 95 Remsen Street
Renovations RESTORE NY V**
Cohoes
Albany County



**B. City of Ogdensburg - BOA RESTORE
NY IV**
Ogdensburg
St. Lawrence County

FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Non-Discretionary Projects

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

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

	Project Name	Project #	Grantee	Assistance up to
	Local Assistance (Assembly)			
A.	Stony Brook Medicine National Cancer Institute Working Capital	132,003	The Research Foundation of the SUNY Stony Brook University	\$670,000
	Special Appropriation Clarkson - Trudeau			
B.	Trudeau Institute 3.0 Working Capital III	133,163	Trudeau Institute, Inc.	\$5,000,000
	TOTAL NON-DISCRETIONARY PROJECTS - 2		TOTAL	\$5,670,000

I. Statutory Basis

The project was sponsored by the Executive, Assembly or Senate, and was authorized or reappropriated in the 2018-2019 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 NYS Urban Development Corporation d/b/a as Empire State Development ("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 several 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 Summaries
New York State Map

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

RESOLVED, that on the basis of 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 “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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make grants to the party and for the amount listed below from the Local Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Local Assistance – Assembly – Project Summary Table

	Project Name	Project #	Grantee	Assistance up to
	Local Assistance (Assembly)			
A.	Stony Brook Medicine National Cancer Institute Working Capital	132,003	The Research Foundation of the SUNY Stony Brook University	\$670,000
			TOTAL	\$670,000

and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she

may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Special Appropriation Clarkson Trudeau – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of these materials, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Special Appropriation Clarkson Trudeau Program Project identified below (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make a grant to the party and for the amount listed below from the Special Appropriation Clarkson Trudeau Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, subsequent to the making of the 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 – Project Summary Table

	Project Name	Project #	Grantee	Assistance up to
	Special Appropriation Clarkson - Trudeau			
B.	Trudeau Institute 3.0 Working Capital III	133,163	Trudeau Institute, Inc.	\$5,000,000
			TOTAL	\$5,000,000

and be it further

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

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

* * *

A. Stony Brook Medicine National Cancer Institute Working Capital (132,003)

November 21, 2019

- Grantee:** The Research Foundation of the SUNY Stony Brook University (or the “University” or “SBU”)
- ESD Investment:** A grant of up to \$670,000 to be used for a portion of the cost of personnel costs at Stony Brook Medicine
- Project Location:** Lauterbur Drive, Stony Brook, Suffolk County
- Proposed Project:** Funds will be used to provide administrative support to the Stony Brook University Cancer Institute Center to achieve NCI designated status, recruit outstanding cancer researchers and physicians, and engage consultant specialists in community engagement and outreach
- Project Type:** Working Capital
- Regional Council:** The Long Island Regional Economic Development Council has been made aware of this item.

Background:

Industry – Cancer research

Organizational History - Stony Brook University is part of the State University of New York (“SUNY”) system. It was established in 1957, as the State University College of Long Island in Oyster Bay. The campus adopted its current name in 1982 when it relocated to Stony Brook. The University rapidly expanded after the relocation, opening the Health Sciences Center (“HSC”) in 1970, and the fifth of six HSC schools, the School of Medicine, in 1971.

The Stony Brook Cancer Center (“SBCC”) at SBU (originally the Long Island Cancer Center) was formally established in 2000, with the appointment of its founding director, Dr. Jack Kovach. During his tenure as Director, Dr. Kovach oversaw the planning, construction, and opening of the first 60,000 square-foot Cancer Center outpatient clinical facility in 2007. During the 2010 SBU strategic planning process for the Health Sciences Center led by the then newly appointed Dr. Kenneth Kaushansky, Dean of the School of Medicine and Senior Vice President for the Health Sciences Center, a renewed focus for SBC was defined. Cancer research was now placed as the HSC’s and SBCC’s highest priority, and a goal was set for attaining National Cancer Institute (NCI) designation. To realize this goal, SBU designated its most significant gift (Jim and Marilyn Simons \$150M gift) to the construction of a state-of-the-art 240,000 square-foot research and clinical care facility (the Medical and Research Translation building –

Stony Brook Medicine National Cancer Institute Working Capital (132,003)

November 21, 2019

or MART) which would become the new expanded home of SBCC. MART is slated for completion by the end of 2018 with occupancy in early 2019.

In 2012, Dean Kaushansky recruited a new SBCC Director, Dr. Yusuf A. Hannun, an internationally recognized physician scientist known for his seminal work in elucidating the roles of lipids in cancer pathogenesis. Dr. Hannun promptly began recruiting a senior leadership team who would collectively develop a comprehensive strategic plan to further navigate the evolution of the SBCC. An instrumental focus of the strategic plan is transdisciplinary team science across an enormous interdisciplinary landscape capturing areas of exceptional scientific strengths at SBU, namely in Mathematics, Physical Sciences, Computational Biology, Computer Science, Engineering, Imaging, and Biomedical Informatics. Furthermore, the SBCC has many opportunities to building substantial collaborations with additional SBU institutes and centers including the Institute of Chemical Biology and Drug Discovery, which has a large focus in oncology drugs, the Long Island Technology Incubator, the Laufer Center for Physical and Quantitative Biology, and the Brookhaven national Laboratory.

The SBCC's mission is to reduce the suffering from cancer by providing world-class multidisciplinary care close to home, conducting innovative research, educating patients and healthcare professionals, and partnering with its community to reach underserved populations. The SBCC vision is to create a cancer research and clinical environment that exemplifies innovation and discovery from prevention to cure to survivorship.

Ownership – Stony Brook University is a public, higher education institution part of the State University of New York system.

Size - All facilities are located in Stony Brook, NY.

ESD Involvement - A \$670,000 appropriation was included in the FY 2018-2019 New York State budget.

Past ESD Support - Funding for the past five years to the Grantee, totaling \$1.5 million, is summarized in the following chart:

Stony Brook Medicine National Cancer Institute Working Capital (132,003)

November 21, 2019

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund	Z021	\$1,000,000	June 23, 2016	December 31, 2021	Capital Grant – Development of a high-performance computing system
Regional Council Capital Fund	AA543	\$500,000	August 17, 2017	April 2017	Capital Grant– Equip a drug discovery and biotechnology research facility

The Project:

Completion – June 2021

Activity - Funding provided under this grant will support activities related to the obtainment of National Cancer Institute designation for the Stony Brook Cancer Center. The NCI has established guidelines that must be met in order for a center to achieve this status. These guidelines are constantly evolving, with ever-higher standards to be met by aspiring centers as well as those seeking renewal of their status. The grant funds will support key recruitments in leadership positions that will allow for the expansion of the Cancer Prevention and Control Program, community outreach and engagement activities, as well as the further development of both clinical and basic research programs. The funds will also serve to foster use of SBU's shared resources by Cancer Center researches through subsidy and voucher programs – a standard practice of NCI designated centers. Lastly, funds will also support consultation programs, shared resources, and other elements require for a successful application for NCI designation.

Results – Through this project, the Stony Brook Cancer Center has provided expanded cancer care for the residents of Suffolk and Nassau counties on Long Island. Some key measurable results that can be attributed to this activity include:

- The number of federal research grants funded to members of the SBCC
- The number of publications from faculty of the SBCC
- The quality of education provided by the SBCC to students
- The number of open clinical trials available to cancer patients in our catchment area
- In 2018, the SBCC provided hundreds of community outreach activities including cancer screenings, educational workshops, and facilitated support

Stony Brook Medicine National Cancer Institute Working Capital (132,003)

November 21, 2019

groups.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Stony Brook Cancer Center salaries	\$670,000	ESD Grant	\$670,000	100%
Total Project Costs	\$670,000	Total Project Financing	\$670,000	100%

Grantee Contact - Dawn Alomar, Assistant Director for Contracts
Office of Sponsored Programs
The Research Foundation for the State University of New York
W5510 Melville Library
Stony Brook, NY 11794-3362
Phone: (631)632-9016
E-mail: dawn.alomar@stonybrook.edu

Project Team - Project Management Alison Baxter
Contractor & Supplier Diversity Danah Alexander

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 \$670,000 will be disbursed to Grantee in a lump sum, 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, 2019, 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 \$670,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified

Stony Brook Medicine National Cancer Institute Working Capital (132,003)

November 21, 2019

Minority-and Women-owned Business Enterprises (“MWBEs”) and Service Disabled Veteran-Owned Businesses (“SDVOBs”) in the performance of ESD projects and procurements. ESD Office of Contractor and Supplier Diversity have reviewed the project and have determined that there exists no potential for MWBE and SDVOB participation. As such, participation goals will not be established or required for this project.

Statutory Basis – Local Assistance:

The funding was authorized in the 2018-2019 New York State budget and reappropriated in the 2019-2020 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

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

B. Trudeau Institute 3.0 Working Capital III (133,163)

November 21, 2019

- Grantee:** Trudeau Institute, Inc. (“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 developed a five-year plan to expand specialized research and development (“R&D”) capabilities to medical research university partners who demonstrate significant clinical strength to study infectious diseases. This project represents the second of three stages included in the plan.
- 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 United States.

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 buildings located on and off campus, including housing for faculty and postdoctoral fellows.

Market - Trudeau conducts biomedical research to develop new treatments and treatment-prevention strategies against disease. In addition, the Institute conducts contract research projects for the National Institute of Health (“NIH”). The Institute primarily competes with other biomedical research organizations for biomedical

Trudeau Institute 3.0 Working Capital III (133,163)

November 21, 2019

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 2019-2020 New York State budget.

Past ESD Support - Funding for the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Economic Development Purposes Fund	Z413	\$3,600,000	August 2014	December 2014	Working Capital Grant – operations and staffing of a biomedical research laboratory
Special Appropriation Clarkson Trudeau	Z568	\$6,200,000	December 2014	December 2015	Working Capital Grant – operations and staffing of a biomedical research laboratory
Special Appropriation Clarkson Trudeau	AA328	\$4,000,000	January 2016	December 2016	Working Capital Grant – operations and staffing of a biomedical research laboratory
Special Appropriation Clarkson Trudeau	AB080	\$7,250,000	July 21, 2016	April 2018	Working Capital Grant – operations and staffing of a biomedical research laboratory

Trudeau Institute 3.0 Working Capital III (133,163)
November 21, 2019

Special Appropriation Clarkson Trudeau	AC321	\$5,000,000	October 19, 2017	December 31, 2018	Working Capital Grant – operations and staffing of a biomedical research laboratory
Special Appropriation Clarkson Trudeau	132,211	\$5,000,000	October 2018	December 2020	Working Capital Grant – operations and staffing of a biomedical research laboratory

The Project:

Completion – December 2023

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, the Albert Einstein College of Medicine, Texas Biomedical Research Institute, Walter Reed Army Institute of Research, and the University of Illinois at Chicago.

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 – During the initial stage of the project, Trudeau Institute started building the foundation toward the transformation to Trudeau 3.0. Stage 1 included working with strategic advisors to finalize the program concept, identifying initial partnership opportunities, and planning the project implementation. The initial stage also included

Trudeau Institute 3.0 Working Capital III (133,163)

November 21, 2019

hiring a vaccine R&D expert, two faculty level Ph.Ds., (a vaccinology & immunology R&D expert, as well as a co-inventor of computational chemogenomics technology), three research technicians, and a Manager of Joint Education, as well as two non-scientific employees to serve as support staff. Trudeau also sponsored the first ever Global Health and Translational Sciences Summit in October 2018, and attracted international elite attendees who gathered to advance new ideas for rapid and timely response to defend against emerging infectious threats. In addition, the American Society for Microbiology designated Trudeau’s laboratory as a “Milestone in Microbiology” in October 2019.

As part of Stage 2, Trudeau is currently moving into the project implementation phase by establishing multi-year partnerships to grow the program and expand its research. Trudeau’s partners and collaborators now encompass three regions of New York State and the Department of Defense, and these partnerships are working toward a common goal of finding medical solutions to improve health and wellness regionally, nationally, and internationally.

The Institute is actively recruiting for several key research positions, including four additional specialists and three postdoctoral research fellows. Trudeau currently employs 59 full-time employees at the facility in Saranac Lake, and 31 new jobs for skilled scientific and technical jobs will be in place by the end of 2023. Further, the Trudeau 3.0 model will modify revenue diversification that will enable the facility and its jobs to remain 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.

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries & Fringe Benefits	\$3,400,000	ESD Grant	\$5,000,000	100%
Operating Expenses	1,600,000			
Total Project Costs	\$5,000,000	Total Project Financing	\$5,000,000	100%

Grantee Contact - William Chapin, Chief Administrative Officer & Controller
154 Algonquin Avenue
Saranac Lake, NY 12983
Phone: (518) 891-3080
Email: wchapin@trudeauinstitute.org

Trudeau Institute 3.0 Working Capital III (133,163)

November 21, 2019

<u>Project Team</u> -	Project Management	Lisa Smith
	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, no more frequently than quarterly, upon documentation of eligible, working capital 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, 2019, 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 policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women 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 MWBE Participation. Establishment of specific goals related to the total value of ESD's funding is still pending.

Statutory Basis – Special Appropriation Clarkson Trudeau:

The project was authorized in the 2019-2020 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

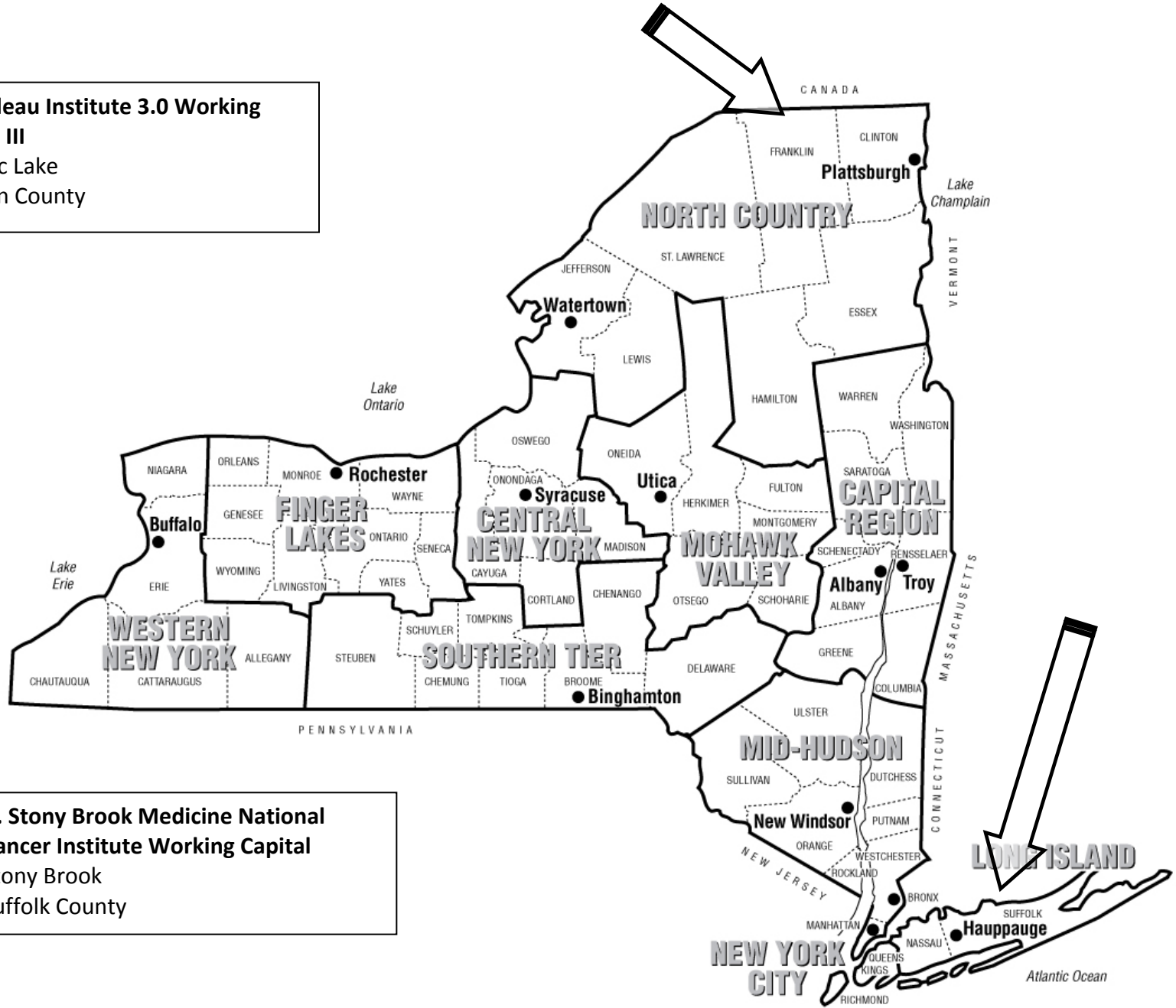
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing

Trudeau Institute 3.0 Working Capital III (133,163)
November 21, 2019

violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

Non-Discretionary Project Map

B. Trudeau Institute 3.0 Working Capital III
 Saranac Lake
 Franklin County



A. Stony Brook Medicine National Cancer Institute Working Capital
 Stony Brook
 Suffolk County

FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

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

REQUEST FOR: Authorization of an Investment of NYSIVCF Funds in BlocPower, Inc.

I. Project Summary

Awardees: BlocPower (the "Company")

Amount: Up to \$1,000,000 in Seed SAFE (Simple Agreement for Future Equity)

Project Location: New York, NY

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

ESD Project No.: TBD

Project Team:

Origination	Momo Bi
Project Management	Momo Bi
Legal	Craig Alfred
Contractor & Supplier Diversity	Jazmin Thomas
Environmental	Soo Kang

II. Background

Pursuant to Part JJ of Chapter 59 of the Laws of 2013, 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.

NYSIVCF also provides funding for the Technology Commercialization fund of funds supporting the pre-seed investment opportunities throughout the State. The NYSIVCF is part of a larger equity investment strategy that includes the Innovate NY Fund, a \$45 million fund of funds that invests in seed-stage equity opportunities.

Past State Support for BlocPower

The company has not received state support.

Company Background

BlocPower is a minority led software platform that uses machine learning, IoT data, and structured finance to retrofit energy wasting buildings into renewable energy and energy efficiency buildings at scale in underserved market segments.

Buildings represent about 30% of US greenhouse gases (Environmental and Energy Study Institute data). 5 million Mid-sized commercial and residential buildings in America's urban core are energy wasting health hazards. They waste over \$100 billion per year of energy, strain utility grids, and make people sick through lead, indoor air pollution, and asbestos (BlocPower/Kapor Capital research data). 100+ US cities are legally committed to 100% green energy. The NYS Governor has signed the Climate and Community Protection Act (CCPA), a legally binding legislative act to achieve an 85% reduction in greenhouse gas emissions by 2050 and a goal of net zero. Retrofitting old buildings will decrease greenhouse gas emission but it's very expensive and difficult to do at scale, especially for low- and middle-income communities.

Currently, building retrofit are expensive and difficult to scale because it requires deploying engineers on site, where they manually collect and analyze environmental data. These engineers are costly, and this process takes many weeks with inaccurate results.

Through installation of IoT sensors and combining the data with machine learning, BlocPower has built a technology platform with proprietary targeting algorithms to replace expensive and inaccurate manual work with cost effective software to produce accurate assessments and project management. Its software and financing facilities will provide low income areas work force development opportunities, construction jobs, and access to building retrofit at scale to reduce energy bills and achieve 2-7% reduction in US GHG emissions in the next two to three years at 10-50% of the traditional cost.

In order to fund its activities over the next 12-18 months, BlocPower is raising up to \$5M in Seed SAFE financing. The NYSIVCF will invest up to \$1,000,000 into this investment round with the balance being provided by private sector investors led by Kapor Capital, a private social impact focused venture fund based in Oakland, California.

As part of the due diligence process, NYSIVCF staff and an external Investment Advisory Committee ("IAC") evaluated the Company's business plan and growth prospects as well as the

terms of the investment. As a result of that analysis, NYSIVCF and the IAC both agree that the market opportunity and growth potential offered by BlocPower warrants an investment by the Fund 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 the 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, participation goals will not be established or required.

Additional Submissions to Directors

Resolutions

Schedule A – Summary of the Investment Terms

November 21, 2019

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT - New York State Innovation Venture Capital Fund - Authorization of an Investment of NYSIVCF Funds in BlocPower, Inc.

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the New York State Innovation Venture Capital Fund (the "Fund"), the Corporation is authorized to make an investment, in an amount not to exceed \$1,000,000 in BlocPower (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 Designate of the Corporation or his or her 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 Designate of the Corporation or his or her designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all 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:
BlocPower, Inc. (the “Company”)
Series Seed Financing
ESD Board of Directors’ Meeting
November 21, 2019**

<i>Type of Security:</i>	Series Seed SAFE
<i>Size of Round:</i>	Up to a total of \$5,000,000
<i>Investment Amount:</i>	The New York State Innovation Venture Capital Fund (“NYSIVC Fund”) will invest up to \$1,000,000.
<i>Principal Terms of the Series Seed SAFE:</i>	<p>The Company is looking to raise up to \$5M in the form of a SAFE note. As part of the fundraising the investors are seeking to simplify some aspects of the Company’s capital structure. The proposed terms of the financing are outlined below:</p> <p><u>Liquidity Event.</u> If there is a Liquidity Event before the termination of this Safe, this Safe will automatically be entitled to receive a portion of Proceeds, due and payable to the Investor immediately prior to, or concurrent with, the consummation of such Liquidity Event, equal to the greater of (i) the Purchase Amount (the “CashOut Amount”) or (ii) the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price (the “Conversion Amount”).</p> <p><u>Liquidation Priority.</u> In a Liquidity Event or Dissolution Event, this Safe is intended to operate like standard non-participating Preferred Stock. The Investor’s right to receive its Cash-Out Amount is: (i) Junior to payment of outstanding indebtedness and creditor claims, including contractual claims for payment and convertible promissory notes (to the extent such convertible promissory notes are not actually or notionally converted into Capital Stock); (ii) On par with payments for other Safes and/or Preferred Stock, and if the applicable Proceeds are insufficient to permit full payments to the Investor and such other Safes and/or Preferred Stock, the applicable Proceeds will be distributed pro rata to the Investor and such other Safes and/or Preferred Stock in proportion to the full payments that would otherwise be due; and (iii) Senior to payments for Common Stock.</p> <p><u>Termination.</u> This Safe will automatically terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this Safe) immediately following the earliest to occur of: (i) the issuance of Capital Stock to the Investor pursuant to the automatic conversion of this Safe or (ii) the payment, or setting aside for payment, of amounts due the Investor pursuant to Liquidity Event or Dissolution Event.</p>

<p><u>Co-Investment Syndicate:</u></p>	<ul style="list-style-type: none"> • Kapor Capital – Founded by Mitchell Kapor, Kapor Capital is an Oakland-based fund that understands that startup companies have the ability to transform entire industries and to address urgent social needs as they do so. The lead partner on this investment is Mitchell Kapor. One of the first investors of Uber. • Andreessen Horowitz, a private American venture capital firm, founded in 2009 by Marc Andreessen and Ben Horowitz. The company is headquartered in Menlo Park, California. Some of the fund’s exited investments includes Lyft, Groupon, Skype, Facebook, and Slack. • Other co-investors include Eric Schmidt Family Foundation, Elemental Excelerator (Laurene Powell Jobs – Emerson Collective), Cross Culture Ventures, Urban Us and AmFam.
<p><u>Use of Proceeds:</u></p>	<p>Funds will be used solely for working capital requirements of the Company.</p>

FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

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

REQUEST FOR: Authorization of an Investment of NYSIVCF Funds in Cureatr, Inc.

I. Project Summary

Awardees: Cureatr, Inc. (the "Company")

Amount: Up to \$363,854 in Series B Convertible Preferred Bridge Financing

Project Location: New York, NY

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

ESD Project No.: 123,625

Project Team:

Origination	Brian Keil
Project Management	Pravina Raghavan
Legal	Craig Alfred
Contractor & Supplier Diversity	Jazmin Thomas
Environmental	Soo Kang

II. Background

Pursuant to Part JJ of Chapter 59 of the Laws of 2013, 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.

NYSIVCF also provides funding for the Technology Commercialization fund of funds supporting the pre-seed investment opportunities throughout the State. The NYSIVCF is part of a larger equity investment strategy that includes the Innovate NY Fund, a \$45 million fund of funds that invests in seed-stage equity opportunities.

Past State Support for Cureatr

In Q2 2015, the NYSIVC Fund invested \$1.693M into Cureatr as part of a \$13M Series B Convertible Preferred Stock financing at a pre-money valuation of \$15.5M, resulting in a fully diluted ownership of approximately 5.9%. In Q3 2018, NYSIVC made a pro-rata investment of up to \$275,304 into a \$3.5M bridge financing, resulting in a fully diluted ownership of approximately 9%.

Company Background

Cureatr, an existing portfolio company based in New York City, operates a mobile data platform for the healthcare industry that enables enterprise-wide Care Transition Notifications (CTNs), Clinical Workflows, Enterprise Management, and Secure Messaging utilizing HIPAA-compliant technology.

Cureatr is at an inflection point in its history. The Company has succeeded in growing revenue and demonstrated its potential value within individual hospital networks such as Montefiore and Mount Sinai. However, revenue growth has occurred at a slower pace than targeted. The key challenge in accelerating the pace of growth has been the difficulty in accessing ADT feeds, which enable information exchange across healthcare providers.

In order to reduce its dependence upon ADT feeds and further accelerate growth, the company has pivoted to a new strategy that was built on its initial learnings, market traction, and technology infrastructure.

A new product called Meds 360, a 360-degree view of a patient's medication profile ("Med-360"). The profile can be delivered via the Cureatr platform to a patient's care team and notify them of issues related to adherence to prescriptions.

In terms of the Meds 360 product, the Company has already done initial work to assess its market potential. The Company interviewed 20 healthcare leaders to validate several hypotheses related to product/market fit. Initial findings from the study suggest the following:

- Clinicians valued the ability to see a patient's full 12-month/90-day medication profiles – potential for improved patient care by closing blind spots regarding medications prescribed outside their practice.
- Medication reconciliation is a significant pain point for healthcare providers and the Med-360 product could improve the efficiency and effectiveness of the current process.

In order to fund its activities over the next 12-18 months, Cureatr is raising up to \$4M in Series B bridge financing. The NYSIVCF will invest its pro rata amount, up to \$363,854 into this investment round with the balance being provided by private sector investors led by Cardinal Partners, a private venture fund based in New York City.

As part of the due diligence process, NYSIVCF staff and an external Investment Advisory Committee (“IAC”) evaluated the Company’s business plan and growth prospects as well as the terms of the investment. As a result of that analysis, NYSIVCF and the IAC both agree that the market opportunity and growth potential offered by Cureatr warrants an investment by the Fund 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 the 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 (“OCS”) 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. OCS has determined that it is not practical or feasible to assign SDVOB contract goals to expenditures made under this program. As such, participation goals will not be established or required.

Additional Submissions to Directors

Resolutions

Schedule A – Summary of the Investment Terms

November 21, 2019

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT - New York State Innovation Venture Capital Fund - Authorization of an Investment of NYSIVCF Funds in Cureatr, Inc.

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the New York State Innovation Venture Capital Fund (the "Fund"), the Corporation is authorized to make an investment, in an amount not to exceed \$363,854 in Cureatr (the "Company") and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his or her 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 Designate of the Corporation or his or her designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all 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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Schedule A

**New York State Innovation Venture Capital Fund:
Cureatr, Inc. (the “Company”)
Series Seed Financing
ESD Board of Directors’ Meeting
November 21, 2019**

<u>Type of Security:</u>	Series B Bridge Financing Convertible Preferred Stock
<u>Size of Round:</u>	Up to a total of \$4,000,000
<u>Investment Amount:</u>	The New York State Innovation Venture Capital Fund (“NYSIVC Fund”) will invest up to \$363,854.
<u>Principal Terms of the Series Seed Preferred:</u>	<p>The Company is looking to raise up to \$4M in the form of a convertible note. As part of the fundraising the investors are seeking to simplify some aspects of the Company’s capital structure. The proposed terms of the financing are outlined below:</p> <ul style="list-style-type: none"> • Size of the offering: Up to \$4M with an initial closing of \$2.5M • Interest rate: Simple interest will accrue at 8% per annum • Term of the note: 18 months • Conversion: Converts into next qualified equity financing (equal to or greater than \$5M) at a 50% discount • Pay-to-play provision: All holders of Preferred Stock will be required to purchase their pro-rata share of the offering amount or have their shares converted to Common Stock. • Charter Modifications: At the Initial Closing, the Company and the existing Investors shall take all actions required to amend the Company’s Certificate of Incorporation to: (a) increase the authorized shares of Series B Preferred Stock and Common Stock to accommodate potential conversion of the Convertible Notes into Series B Preferred Stock, (b) implement the pay-to-play described above, (c) permit series-by-series conversion of the Preferred Stock, and (d) require mandatory conversion of all outstanding Series B Preferred Stock in connection with a Qualified Equity Financing.
<u>Co-Investment Syndicate:</u>	<ul style="list-style-type: none"> • Cardinal Partners, since 1996, has been investing in disruptive healthcare technology-enabled services and life sciences companies providing top quartile returns. It’s an early/growth stage partner to entrepreneurs, usually participating as the first institutional investor in the company, and selectively playing co-founding roles at a company’s inception. The deep experience and superior investment

	<p>return of Cardinal have demonstrated that it knows how to successfully build durable, valuable companies throughout multiple business and economic cycles.</p> <ul style="list-style-type: none"> • Activate Venture Partners is a venture capital firm that specializes in early stage and growth capital investments. The firm is primarily focused on technology enhanced service businesses in the media and marketing services, healthcare information technology, and financial services information technology sectors. It prefers to invest in companies with easy access to our offices in Pennsylvania and New York City. • Deerfield Management works with companies from across the breadth of the healthcare spectrum, from early stage drug research businesses to mature healthcare service and medical device companies.
<u>Use of Proceeds:</u>	Funds will be used solely for working capital requirements of the Company.

FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Life Sciences Initiative - Procurement of Life Science Accelerator Services

REQUEST FOR: Authorization to Enter into a Contract for Life Science Accelerator Services and to Take Related Actions

CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: SOSV NY LLC ("SOSV NY")

Scope of Services: SOSV NY will develop and execute ESD's Bio-Accelerator Program (the "Accelerator" or the "Program"). The Program will provide early-stage, growth-driven companies with a top-tier educational curriculum, free dry and wet lab space, access to a global mentor network, and venture capital funding.

Contract Term: December 2019 – December 2027 (5.5 years of program operations and 2.5 years of reporting)

Contract Amount: Not to exceed \$25,000,000

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

II. Background

ESD's Life Science Initiative was established in 2017 for the purpose of creating and nurturing a vibrant life science ecosystem in New York State. A primary goal of the Initiative is to create, attract, and retain life science companies that will generate new jobs and bring new venture capital dollars to the State.

Currently, cutting-edge basic research emanating out of New York State's leading research institutions is siphoned to drive the economies of Massachusetts and California. This raw potential is leaving New York State primarily due to:

- Inadequate entrepreneurial training
- The absence of a strong mentor network
- A lack of early stage venture capital

The Accelerator Program will work with early-stage companies to de-risk their core technology and build a viable business model. Accelerator services will be provided by SOSV NY and housed in New York City. The Program will bridge both the entrepreneurial and funding gaps in New York State, resulting in the retention and growth of commercially viable, venture-backed life science start-ups. The Program will offer entrepreneurs:

- A top-tier educational curriculum
- A global mentor network
- Access to venture capital funding

The Accelerator will also act as a hub and a magnet for New York's growing life science industry, generating network effects and connecting stakeholders statewide.

SOSV NY is backed by the venture capital firm, SOSV. SOSV is committing to invest \$250,000 to \$2,000,000 at minimum in each Program participant company, totaling an estimated \$27 million over five years. Further, SOSV has committed an estimated \$40 million as additional follow-on funding for Program participant companies. SOSV's total venture capital commitment to the program is estimated to be \$67 million.

In addition to SOSV's venture capital commitment, the Partnership Fund for New York City has committed to invest \$10,000,000 cumulatively in participant companies that choose to stay in New York State upon graduating from the Program.

III. Contractor Selection Process

A request for proposals (the "RFP") for Bio-Accelerator Program services was posted on the New York State Contract Reporter on May 10, 2019. One response, from SOSV, was received by the deadline of June 10, 2019. A scoring committee reviewed and scored his proposal in accordance with the evaluation criteria that were detailed in the RFP, based on the following selection criteria: Outcomes & Experience; Operating Plan; NYS Collaboration Plan; High Level Timeline and Management; Cost Projections; and Diversity Practices. In addition, SOSV was asked to give an in-person presentation followed by Q&A from ESD staff.

The scoring criteria and scope of services for and the RFP were developed in consultation with outside industry specialists with expert knowledge of accelerator programs. SOSV provided a comprehensive RFP response and in-person presentation demonstrating not only its historical success accelerating life science start-ups in San Francisco but also a clear understanding of how to replicate that success in New York State. SOSV's response demonstrated a well-researched understanding of New York's market dynamics, its life science talent, and its innovation potential.

SOSV SF LLC is a leading life science accelerator company in San Francisco with a proven track record in accelerating life science start-ups. A majority of SOSV SF's life science portfolio companies have leveraged SOSV's initial investment to secure approximately six times that amount in additional investments from leading investors such as the Founders Fund, A16Z, NEA, Khosla Ventures, True Ventures and Google. On average, companies that have graduated from the SOSV SF life science accelerator secured five times more funding than the industry average. SOSV SF has also had a strong impact on regional economic development. Approximately one-third of SOSV SF's life science portfolio companies that were sourced from outside of California subsequently chose to incubate their companies in San Francisco after graduation. In addition, SOSV SF life science portfolio companies have created more than 400 jobs in the last three years.

IV. Scope of Work

SOSV NY will provide a four-month Accelerator program to a cohort of 10 to 13 companies, twice per year, totaling an estimated 118 companies served over five years. Services provided by SOSV NY will include:

1. **Start-up Sourcing & Selection:** SOSV NY will source and select start-ups with cutting-edge technologies to participate in the Accelerator. A minimum percent of participating companies will be sourced from New York, meaning: (i) the company's headquarters or principal place of business is in New York; (ii) the company's relevant intellectual property is owned by, licensed from or otherwise came from a New York based institution of higher learning; or (iii) at least one of the company's founders resided in New York prior to acceptance into the Program.
2. **Programming:** SOSV NY will deliver appropriate business and life science training to participating start-ups in order to transform research and innovation into commercially and clinically viable products and services. In addition, SOSV NY will provide companies with the necessary legal, marketing, and accounting services through their in-house teams.
3. **Mentor and Investor Network:** SOSV NY will provide a global life science network to mentor participating companies, while also connecting stakeholders across New York State. This network will include connecting Accelerator participants with possible investors and corporate partners.
4. **Site Selection and Lab Space:** SOSV NY will be responsible for selecting and leasing (or otherwise procuring) a facility for the Program with appropriate dry and wet laboratory space and business support for participant companies.
5. **Demo Day:** SOSV NY will coordinate a public demonstration day for each cohort of companies at which the companies will pitch their ideas to a live audience of investors. SOSV NY will advise and support companies presenting at Demo Day and manage Demo

Day marketing, logistics and invitations (including to all relevant investor contacts).

6. **Program Reporting:** SOSV NY will prepare and submit semi-annual progress reports to ESD with updates on program metrics.
7. **Venture Capital Investment:** SOSV NY will invest at minimum \$250,000 to \$2,000,000 per company participating in the Program, totaling an estimated \$27 million over five years. Further, SOSV has committed an estimated \$40 million as additional follow-on funding for Program participant companies. SOSV's total venture capital commitment to the program is estimated to be \$67 million.

V. Responsible Party

Staff has examined the proposed contractor's "responsibility" as defined in State Finance Law §163, and as provided in ESD's Procurement Guidelines. Based on this analysis of financial and organizational capacity, legal authority to do business in New York, integrity of principals, and past performance on contracts, staff concludes that SOSV NY is a responsible vendor.

VI. Contract Term, Price and Funding

The term of the contract will be for eight years (five and one half years of program operations and two and one half additional years of reporting to ESD). The basis of payment of the fee will be fixed fees against stated deliverables. The source of funding is a Fiscal Year 2017-18 New York State budget appropriation (Life Sciences Initiative Fund).

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Contractor shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises (MWBES) and Service Disabled Veteran-owned Businesses (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 an overall MWBE Participation Goal of 8.5% and an SDVOB Participation Goal of 2% related to the total value of ESD's funding.

VIII. Environmental Review

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

IX. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed contractor; (2) authorize the Corporation to enter into a contract with SOSV NY for an amount not to exceed \$25,000,000.

X. Recommendation

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

XI. Attachments

Resolution

November 21, 2019

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Life Sciences Initiative – Procurement of Life Science Accelerator Services – Authorization to Enter into a Contract for Life Science Accelerator Services and to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with SOSV NY LLC in an amount not to exceed Twenty-Five Million DOLLARS (\$25,000,000) 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

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Procurement of Program Administration Consultant Services

REQUEST FOR: Authorization to Enter into a Contract for Consultant Services and to Take Related Actions

CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: CJS Architects

Scope of Services: Consultant to provide business planning, marketing and communications planning, community outreach, and preliminary architectural designs for the Broadway Market as part of the Buffalo Billion II East Side Corridor Economic Development Fund

Contract Term: One year (December 1, 2019 – November 30, 2020)

Contract Amount: Not to exceed \$266,800

Funding Source: Buffalo Regional Innovation Cluster 17-18 re-appropriation authorized pursuant to the 2019-2020 state budget.

II. Background

In January 2017, Governor Andrew M. Cuomo announced a \$500 million Phase II expansion of the previously launched “Buffalo Billion” Economic Development Initiative in Western New York (“BB2”) to continue building on the renewed economic engines and reinvigorated civic spirit throughout Buffalo and the entire WNY region. While the original Buffalo Billion created a dramatic shift in the direction of the region’s economy, Phase II focuses on ensuring that all Western New Yorkers have an improved quality of life and includes programs at the neighborhood level in some of the areas that need it most in the region.

One such program in BB2 is a \$50 million program to spark revitalization in Buffalo's East Side, which comprises more than 40% the City's total land area, over 40% of total residents, and about 30% of total jobs and businesses, and thus far has not been on par with the rest of the City throughout Buffalo's revitalization. This "East Side Corridor Economic Development Fund", or "ESCEDF", focuses investments in the four main north-south commercial corridors on the east side: Michigan, Jefferson, Fillmore, and Bailey Avenues. Funding will help to revive traditional main streets and commercial corridors through the preservation of historic buildings, funding of capital improvements in neighborhood assets, expansion of commercial opportunities, improvements to infrastructure, as well as the promotion of mixed-use private investment in these neighborhoods.

The ESCEDF includes \$4 million in capital funds for the Broadway Market, a historic anchor institution in the Broadway-Fillmore neighborhood, to ensure the Market is a sustainable and vibrant shopping hub and regional destination year-round. As one of the oldest and largest City-owned public markets in the United States, the Market is now seeking to convert faithful community patrons and the annual, holiday influx of shoppers into an expanding customer base capable of putting the 90,000-square-foot site on sustainable footing from which it can serve as a stimulus to neighborhood development. While a fair amount of planning and analysis has been conducted on the market in recent years, ESD is seeking to contract with a consultant/consultant team to update those plans and provide a roadmap for implementation that can lead to a new vibrancy and sustainability.

III. Contractor Selection Process

On August 5, 2019, ESD advertised a Request for Proposal ("RFP") in the *New York State Contract Reporter* seeking a consultant for business planning and concept design services. Seven (7) submissions were received by the deadline submission date of September 13, 2019. In consultation with the City of Buffalo, owner and operator of the Broadway Market, ESD invited four (4) submitters for an in-person interview to discuss their proposal and obtain greater detail.

Based on a review of the proposal and the in-person interview, the proposal from CJS Architects was determined to be qualified to provide the services requested and determined to be the Consultant that would provide the "best value" to the Corporation. The Consultant is a firm based in Buffalo, NY, with subconsultants on its team from within and outside of New York State. It has strong capacities in design and experience in Buffalo/the East Side, and has compiled a team of subconsultants with very strong expertise particularly in business planning and marketing communications for other public markets around the country.

IV. Responsible Party

Staff has examined the proposed contractor's "responsibility" as defined in State Finance Law §163, and as provided in ESD's Procurement Guidelines. Based on this analysis of financial and organizational capacity, legal authority to do business in New York, integrity of principals, and

past performance on contracts, staff concludes that the proposed contractor is a responsible vendor.

V. Scope of Work

The Consultant would provide the following services under the contract:

- 1.) Update Strategic Business Plan
 - a. Review existing documentation and incorporate into work.
 - b. Create new Strategic Business Development Plan. The plan should include an operating proforma and action plan for implementation, including short-term actions based on anticipated future funding streams.
 - c. Create Executive summary document (10-15 pages) tailored for a general audience.
- 2.) Create a new marketing plan for the Market that will help the City understand the demographics and socio-economic characteristics and trends within the Market's trade area and provide recommendations for future marketing and branding of the Market. The plan should include a prioritized implementation plan for marketing strategies.
- 3.) Facilitate opportunities for public input on the next phase of renovations to the Market and how the Market can be better integrated into the fabric of the Broadway-Fillmore neighborhood. Consultant should provide a summary of the community outreach process and findings (which may be integrated into the strategic business plan update document).
- 4.) Develop up to three (3) interior design concepts (with accompanying exterior design elements) aimed at creating a more attractive, customer-friendly and manageable space.
- 5.) Create design guidelines for vendor stalls and signage to provide better uniformity and consistency throughout the facility.
- 6.) Provide construction cost estimates for proposed designs.

VI. Contract Term, Price and Funding

The contract term would be twelve (12) months, unless such term is extended by the President and CEO, for an amount not to exceed \$266,800 starting on December 1, 2019. The source of the funding for the contract will be the Buffalo Regional Innovation Cluster 17-18 appropriation authorized pursuant to the 2019-2020 State budget.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to this contract. The Consultant shall be required to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project. The Consultant shall be required to use 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.

VIII. Environmental Review

ESD staff has determined that the proposed action, which involves authorization of a contract for planning services which does not commit ESD to a specific project, constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with this action.

IX. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed contractor; (2) authorize the Corporation to enter into a contract with CJS Architects for an amount not to exceed \$266,800.

X. Recommendation

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

XI. Attachments

Resolution

November 21, 2019

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Procurement of Program Administration Consultant Services - Authorization to Enter Into a Contract to Provide Consultant Services and to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract CJS Architects in an amount not to exceed TWO HUNDRED SIXTY SIX THOUSAND EIGHT HUNDRED DOLLARS (\$266,800) 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

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Elmont (Nassau County) – Belmont Park Redevelopment

REQUEST FOR: Authorization to Extend the Contract with Bryan Cave Leighton Paisner LLP for Legal Services Related to the Belmont Park Redevelopment Civic and Land Use Improvement Project

CONTRACT NEED AND JUSTIFICATION

I. CONTRACT SUMMARY

Counsel: Bryan Cave Leighton Paisner LLP (“Counsel”)

Scope of Services: Counsel would continue to provide legal services related to the Belmont Park Redevelopment Civic and Land Use Improvement Project.

Current Contract Amount: \$500,000; no additional contract funds are requested

Original Contract Term: May 2018 – May 2019

New Proposed Term: May 2019 – January 2022

Funding Source: The contract will be funded by the developer, New York Belmont Partners, LLC (“NYBP”), an affiliate of New York Arena Partners (“NYAP”), pursuant to a cost letter between ESD and NYBP.

II. BACKGROUND

Belmont Park, located in the unincorporated hamlet of Elmont, New York, is one of the major thoroughbred horseracing facilities in the country and has been in active use since 1905. On July 31, 2017 Empire State Development (“ESD”) issued a Request for Proposals (“RFP”) solicitation for the long-term lease of underutilized property located to the south of the existing Belmont Park Racetrack and Grandstand. On December 21, 2017 New York Arena Partners LLC (“NYAP”) was conditionally designated by ESD as developer of the Belmont Park

Redevelopment Civic and Land Use Improvement Project (“Project”), which consists of an up to approximately 19,000 seat arena for the New York Islanders National Hockey League (“NHL”) franchise and for other entertainment events; retail space; office space; community space; and parking.

Since the time of NYAP’s conditional designation, Bryan Cave Leighton Paisner LLP (“Bryan Cave”) has provided ESD with legal advice with respect to environmental and land use issues related to the Project and has assisted ESD staff in its preparation of a General Project Plan and related findings for the Project. ESD has had a positive experience with Bryan Cave throughout the contract and continues to require Bryan Cave’s legal advice with respect to land use issues and NYBP’s compliance with the Memorandum of Environmental Commitments (“MEC”) for the Project. The term of the existing contract ran through May 2019 and an extension is requested in order to permit the firm to continue to provide legal advice and assistance to ESD. There is sufficient remaining balance on the contract, so no additional funding is requested.

III. SCOPE OF WORK

Bryan Cave will continue to provide ESD with legal services related to the redevelopment of Belmont Park, particularly with respect to land use issues and NYBP’s compliance with the MEC.

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. Seventy-eight 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 17th. 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. Bryan Cave was pre-qualified in the area of real estate and land use.

Bryan Cave has extensive experience representing ESD in major developments and projects, including: Atlantic Yards and Moynihan Station, where Bryan Cave counseled ESD on numerous environmental issues as well as issues arising under the UDC Act. In May 2018, the Directors’ authorized ESD to enter into a one-year contract with Bryan Cave based on the firm’s demonstrated land use expertise and history of providing exceptional services to ESD on large scale projects. Bryan Cave has performed very well in its assistance of ESD in the preparation of the General Project Plan for the Project and its legal advice with respect to land use issues. In order to continue working with this firm, staff proposes that the Board extend the contract term until January 2022. All other terms of the contract, including the original contract value of

\$500,000, would remain the same. The amended contract will continue to be funded, in its entirety, from an imprest account funded by the Project developer.

V. RESPONSIBLE PARTY

Pursuant to State Finance Law Section 163 and the Corporation's policy related thereto, staff has: (a) considered Counsel's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers Counsel to be responsible.

VI. ENVIRONMENTAL REVIEW

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

VII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of New York State certified minority and women-owned businesses (MWBES) and service-disabled veteran-owned ("SDVOB") businesses, respectively, in the performance of ESD contracts. The ESD Office of Contractor and Supplier Diversity have reviewed the contract, and as no additional funds are being awarded, have determined that there exists no potential for additional MWBE & SDVOB participation. As such, participation goals will not be established or required for this contract; however, Counsel shall adhere to ESD's Nondiscrimination and Equal Employment Opportunity policy.

VIII. REQUESTED ACTIONS

The Directors are asked to: (1) make a determination of responsibility with respect to Counsel; and (2) authorize ESD to extend the existing contract with this firm until January 2022, and take related actions.

IX. RECOMMENDATION

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

ATTACHMENT

Resolutions

November 21, 2019

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Elmont (Nassau County) – Belmont Park Redevelopment - Authorization to Extend the Contract with Bryan Cave Leighton Paisner LLP for Legal Services Related to the Belmont Park Redevelopment Civic and Land Use Improvement Project

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 Bryan Cave LLP (“Counsel”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend its existing contract with Counsel to extend the term of the contract until January 2022, to continue to provide legal services in connection with the Belmont Park Redevelopment Civic and Land Use Improvement Project; and be it further

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

* * *

FOR CONSIDERATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Microsoft Dynamics System

REQUEST FOR: Authorization to Enter into a Contract for Renewal of Microsoft Dynamics Systems Software and Licenses; and Authorization to Take Related Actions

CONTRACT NEEDS AND JUSTIFICATION

I. Contract Summary

Contractor: Dell

Scope of Services: Renewal of Microsoft Dynamics System software and licenses

Contract Term: Three years

Contract Amount: \$ 1,061,089, inclusive of a 10% contingency

Funding Source(s): Corporate Funds

II. Background

In 2016, ESD identified a number of goals for improvement with respect to the information systems it uses to originate, manage, and report on the economic assistance programs that it administers. Based on a prior IT assessment, ESD determined that Microsoft Dynamics System (“Dynamics”) was the most cost-effective software solution to achieve its stated objectives. ESD released an RFP for an implementor and a developer, entering into contracts with Redbrick and GCOM in 2016. Dynamics has been utilized as a project management system at ESD since 2017.

III. Contractor Selection Process

Dell has been awarded the OGS contract to provide all state entities with all Microsoft software subscriptions.

ESD negotiated a reduced rate from the standard OGS contract of 20%.

IV. Scope of Work

This contract will renew the Corporation's licenses for all aspects of Dynamics, including licenses for the Dynamics System, SharePoint, Azure and Power BI.

V. Contract Term, Price, and Funding

The proposed term of the contract is three-years. The total value of the contract is not to exceed \$ 1,061,089, inclusive of a 10% contingency. The contract will be funded through Corporate Funds.

VI. Responsible Party

Staff has examined the proposed contractor's "responsibility" as defined in State Finance Law Section 163 and as provided in ESD's Procurement Guidelines. Based on this analysis of financial and organizational capacity, legal authority to do business in New York, integrity of principals, and past performance on contracts, staff concludes that the proposed contractor is a responsible vendor.

VII. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law 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) and Service-Disabled Veteran-Owned Businesses (SDVOBs) in the performance of ESD projects and procurements. The ESD Office of Contractor and Supplier Diversity has reviewed the project and has determined that there exists no potential for MWBE or SDVOB participation. As such, participation goals will not be established or required for this procurement.

VIII. Environmental Review

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

IX. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed contractor; and (2) authorize the Corporation to enter into a contract with Dell up to an amount of \$1,061,089, inclusive of a 10% contingency.

X. Recommendation

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

XI. Attachments

Resolution

November 21, 2019

NEW YORK STATE URBAN DEVELOPMENT d/b/a EMPIRE STATE DEVELOPMENT –
Microsoft Dynamics System - Authorization to Enter into a Contract for Renewal of
Microsoft Dynamics System Software and Licenses; and Authorization to Take Related
Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Dell 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 Designate 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

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Orange Residential Center - Proposed Transfer to, and Disposition by, the Office of General Services of the State of New York of the Orange Residential Center

REQUEST FOR: Authorization for Transfer to, and Disposition by, the Office of General Services in Accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

I. Introduction

The Directors are being asked to (i) authorize the New York State Urban Development Corporation d/b/a Empire State Development (the "Corporation") to enter into an agreement with the Office of General Services ("OGS") of the State of New York (the "State") for the transfer to and disposition by OGS of the Orange Residential Center, Town of Wallkill, County of Orange located at 393 County Road 78, City of Middletown, New York, also recently known as the Middletown Residential Center ("ORC"), (ii) authorize the transfer of the ORC to OGS in accordance with said agreement, (iii) approve and agree to the terms of OGS' subsequent sale of the ORC and authorize the Corporation to take such actions as are necessary to accomplish the same and (iv) take related actions.

OGS has been authorized to acquire the ORC and will reconvey the ORC for one dollar to the City of Middletown ("Middletown") which will be obligated to utilize the ORC for park and recreational purposes in accordance with Section 34 of the Public Lands Law. As required by this statute, the ORC is subject to a reverter in favor of the State if the ORC is not used for such park and recreational purposes.

II. Background

The ORC is a former youth facility occupied and operated by the New York State Office of Children and Family Services. The Corporation acquired legal title to portions of the ORC and other youth facilities from OGS for a nominal price to provide security for the issuance of youth facilities revenue bonds ("Youth Facilities Revenue Bonds") issued by the Corporation to finance the construction of improvements to the ORC and other youth facilities owned by the

Corporation. Rental payments paid the debt service on the Youth Facilities Revenue Bonds. The Corporation leased the ORC and the other youth facilities it owned to OGS (the "Lease"), which subleased these facilities to the New York State Division of Youth, now the New York State Office of Children and Family Services (the "Sublease").

All of the Youth Facilities Revenue Bonds have been paid or defeased, the Lease and Sublease have expired by their terms and the Corporation continues to hold legal title to the ORC and the other youth facilities. The ORC is a vacant facility but the State, as beneficial owner of the facility, continues to maintain the ORC pursuant to the Lease and Sublease on a month to month basis.

The ORC and the other youth facilities owned by the Corporation no longer secure refunding bonds (the "Refunding Bonds") which have been issued to refund the Youth Facilities Revenue Bonds. However, since the Refunding Bonds that financed the ORC are still outstanding, an opinion by tax counsel will be necessary to ensure that any such Refunding Bonds remain in compliance with Federal tax law. The Division of Budget, counsel to the Division of Budget, OGS, the New York State Office of Children and Family Services, the Dormitory Authority, which also has outstanding bonds which financed improvements, and the Office of the State Comptroller, must all cooperate to approve and/or close the transaction and maintain such tax compliance.

III. Transfer of the ORC to OGS for Disposition in Accordance with Agreement between the Corporation and OGS

The Public Authorities Law and the Corporation's related guidelines (the "PAL") impose certain conditions and restrictions on the disposition of property by the Corporation and provide that, when it shall be deemed advantageous to the State, the Corporation may enter into an agreement with OGS for OGS to dispose of property of the Corporation.

In accordance with PAL, OGS has requested that the Corporation enter into a Memorandum of Agreement between OGS and the Corporation (the "Agreement"). The Agreement requires that (i) the Corporation convey to OGS a deed for the ORC, (ii) OGS, upon receipt of the deed, shall reconvey the ORC to the City of Middletown and (iii) OGS will comply with, and be bound by, the PAL for a sale without bids and below fair market value to a political subdivision or other public entity, without limitation, including:

- a. Obtaining an independent appraisal;
- b. Submitting an explanatory statement of the sale to the Director of the Budget, the Commissioner of General Services, the legislature and the Authorities Budget Office; and
- c. Requiring ownership and use of ORC will remain with Middletown.

Additional information required by PAL to support the transfer without bids and below fair market value is as follows:

(i) A full description of the asset: The Middletown Residential Center is a 14.66-acre parcel with 8 buildings totaling 28,090 square feet owned by OGS with a portion, the Residence Building and Gymnasium Building, owned by Corporation. The Center is vacant and was most recently used as a Children and Family Service youth residential center.

(ii) An appraisal of the fair market value of the asset: In 2014, OGS obtained an appraisal of the Middletown Residential Center from a certified appraiser showing market value of \$980,000 and quick sale value of \$640,000.

(iii) A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved a required by the transfer, the benefits, if any to the communities in which the asset is situated as are required by the transfer: Pursuant to Section 34 of the Public Lands Law, the ORC will be conveyed to Middletown for park and recreational purposes. As required by the statute the consideration for the sale of the ORC will be \$1.00 (payment waived), and the Letters Patent (deed) to the City is required to contain a reverter clause that if the ORC is not used for park and recreation, title to the Center will revert to the State. Middletown will be obligated to improve and use the property for a park and recreation, which will benefit the citizens of Middletown and the surrounding areas.

(iv) A statement of the value to be received compared to the fair market value: As noted Section 34 provides OGS with the statutory authority to convey unappropriated State lands to municipalities for \$1.00 to be used for certain specified purposes, including parks and recreation. Middletown sees value in the ORC demonstrated by a City Resolution applying for the ORC and agreeing to a reverter if the ORC is not so utilized. The transfer will result in recreational and related economic development benefits to the State and local communities and the State will also eliminate the obligation to pay carrying costs associated with owning the ORC.

(v) The names of the private parties participating in the transfer: No private parties are participating in the transaction.

(vi) The names of the private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used: No other offers have been received.

The goal of the proposed transfer is to reutilize the ORC as a park with related recreational uses to further the recreational and related economic development interests of the State and local communities, including and eliminating the carrying costs for the State. As described in these materials, no other municipalities or private parties have expressed interest

in the ORC; accordingly, there is no reasonable alternative to the negotiated transfer that would achieve the same purpose of such transfer.

The transaction is advantageous to the State because it is in furtherance of the State's effort set forth in the Public Lands Law to dispose of underutilized State facilities for their reuse for park and recreational purposes.

IV. Environmental Review

OGS, as lead agency, has completed an environmental review of the proposed property conveyance 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 proposed action to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on October 9, 2019. 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.

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, procurements and other expenditures. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policies will apply to this agreement. The Office of Contractor and Supplier Diversity has reviewed the project and has determined that MWBE participation goals need not be applied to this project for ESD. However, OGS may assess MWBE goals and shall make good faith efforts (as defined in 5 NYCRR §142.8) during the term of the project to ensure the participation of NYS certified MWBEs.

VI. Requested Actions

In accordance with the attached resolution, the Directors are hereby requested to: 1) find and determine that the Agreement for the transfer to, and disposition by, OGS of the ORC is advantageous to the State; 2) authorize the Corporation to enter into the Agreement with OGS and to transfer the ORC to OGS; 3) approve and agree to the terms and conditions of OGS' sale of the ORC to Middletown; 4) authorize the officers of the Corporation to take all actions deemed necessary to accomplish the foregoing and to take all related actions, including termination of any month to month leases and such actions, if any, or are necessary to preserve the tax-exempt status of the Refunding Bonds; and (5) make a Determination of No Significant Effect on the Environment.

Attachment
Resolution

November 21, 2019

Orange Residential Center – Proposed Transfer to, and Disposition by, the Office of General Services of the State of New York of the Orange Residential Center - Authorization for Transfer to, and Disposition by, the Office of General Services in Accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

WHEREAS, the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”) acquired legal title to portions of the Orange Residential Center and other youth facilities from the New York State Office of General Services (“OGS”) for nominal consideration in order to issue bonds to finance, through multiple leases, the acquisition and construction of various youth facilities, including the Orange Residential Center;

WHEREAS, pursuant to the Corporation’s Guidelines Regarding Disposition of Property implementing provisions of the Public Authorities Law applicable to the disposition of property by public authorities (the “PAL”), when it shall be deemed advantageous to the State, the Corporation may enter into an agreement with OGS for the disposition of property of the Corporation under terms and conditions agreed to by the Corporation and OGS;

WHEREAS, OGS has requested that the Corporation enter into a Memorandum of Agreement (the “Agreement”) with OGS pursuant to which, the Corporation shall transfer the Orange Residential Center to OGS for sale by OGS to the City of Middletown, and will require OGS to comply with the PAL;

NOW THEREFORE, IT IS HEREBY RESOLVED that based on the materials so presented to this meeting and ordered filed with the records of the Corporation relating to the Orange Residential Center, the Directors hereby find that it is advantageous to the State for the Corporation to enter into the Agreement with OGS;

RESOLVED, that the Corporation be and hereby is authorized to enter into the Agreement with OGS and to transfer the and convey title to the same by quitclaim deed to OGS;

RESOLVED, that based on the materials and information submitted to the Directors, the Directors hereby find that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer, and be it further

RESOLVED, that the Corporation hereby (i) approves and agrees to the terms and conditions of the subsequent sale by OGS of the Orange Residential Center to the City of Middletown (ii) authorizes the Corporation to take all actions deemed necessary to accomplish such sale, including the execution of all forms necessary for the recording of the deed to the

Orange Residential Center and (iii) authorizes utilizing bond tax counsel to confirm compliance with applicable federal tax law; and be it further

RESOLVED, that based on the materials submitted to the Directors with respect to the proposed transfer to, and disposition by, the Office of General Services of the State of New York of the Orange Residential Center, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

RESOLVED, that the Officers of the Corporation, be and each of them hereby is, authorized and directed to take any and all action necessary (i) to carry out the foregoing resolutions and to carry out any authority or delegation granted to the Corporation in conjunction with such authorizations including, but not limited to, the preparation and execution of any agreements, deeds, instrumentation, lease terminations, tax opinions and/or documents as such authorized officers may deem reasonably necessary or appropriate. Any actions previously taken by the Corporation in furtherance of this resolution are hereby ratified.

* * *

FOR INFORMATION

November 21, 2019

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Fiscal Year 2019-20 Budget Variance Reports (Second Quarter)

In accordance with applicable law, attached are the FY2019-20 second quarter Empire State Development (ESD) operating budget variance reports by department, as well as ESD subsidiary operating and capital reports.

Cumulative total ESD corporate operating expenditures for the six months ended September 30, 2019 were \$23.3 million; 32% of the total \$73.6 million budget. This is mainly attributable to vacant positions and certain expenses that are not paid evenly throughout the year, but rather in subsequent quarters. As a result, the quarterly budget variance report may not include those expenditures. Full year expenditures are expected to be within the approved annual budget.

Total ESD subsidiary operating expenditures for the six months ended September 30, 2019, excluding LMDC and HCDC Weatherization, were approximately \$1.9 million; 31% of the total \$6.3 million budget. This is primarily due to several non-personal expenses that are below budget or anticipated to be disbursed in future quarters. Both LMDC and HCDC's Weatherization Program expenses are federally funded and reported separately from ESD expenses.

Total ESD subsidiary capital spending for the six months ended September 30, 2019 was approximately \$400.5 million; 39% of the total \$1.0 billion capital budget. Most of the capital work for large scale projects is not invoiced until 60 or more days after the work has been completed, and, as a result, may not be included in the current variance report. As the year progresses, it is expected that total capital spending will more closely align with the budgeted capital expenditures.

Attachments

ESD Departmental Budget Variance Report, September 30, 2019

ESD Subsidiary Operating Budget Summary Variance Report, September 30, 2019

Subsidiary Capital Budget Summary Variance Report, September 30, 2019

Departmental Budget Variance Report
September 30, 2019

	Administrative Services	Chief Financial Office	Controller	Corporate	Contract Administration	Economic Analysis & Research	Economic Incentives	Executive Office	Global NY	Human Resources	Information Technology	Innovation & Broadband (Broadband)
ANNUAL BUDGET												
Personal Services (incl. Benefits)	\$ 631,152	\$ 431,556	\$ 2,246,760	\$ 15,357,913	\$ 1,590,469	\$ 207,666	\$ 579,232	\$ 1,998,953	\$ 473,452	\$ 706,450	\$ 1,948,148	\$ 897,693
Occupancy Expenses	-	-	-	8,302,600	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	5,600,000	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	159,100	1,135,800	-	-	-	-	-	-	-	875,000
Office Maint / Prop Mgmt / Other Outside Serv	530,000	200	37,500	460,500	200	-	-	25,000	10,750	35,000	22,500	26,000
Computers/ Software/ Equipment	-	500	-	-	-	-	-	-	-	-	706,000	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	610,000	-
Travel & Meals	500	3,000	5,000	46,070	3,500	2,500	6,000	130,000	30,000	1,500	25,000	8,600
Insurance	-	-	-	441,219	-	-	-	-	-	-	-	-
On-Line Services, Dues & Subscriptions	-	1,500	500	-	-	500	300	4,000	-	2,000	6,000	-
Office Supplies / Printing / Postage/ Advertising	230,000	-	-	17,541	-	-	-	-	-	-	-	-
Total	\$ 1,161,652	\$ 436,756	\$ 2,448,860	\$ 31,344,102	\$ 1,594,169	\$ 210,666	\$ 585,532	\$ 2,157,953	\$ 514,202	\$ 744,950	\$ 3,317,648	\$ 1,807,293
ACTUAL TO DATE												
Personal Services (incl. Benefits)	\$ 215,149	\$ 194,499	\$ 935,030	\$ 4,033,818	\$ 528,222	\$ 93,749	\$ 256,385	\$ 707,875	\$ 143,390	\$ 335,311	\$ 827,846	\$ 329,587
Occupancy Expenses	-	-	-	3,788,077	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	150,000	171,607	22,873	-	-	-	-	-	-	7,044
Office Maint / Prop Mgmt / Other Outside Serv	66,667	-	35,464	56,061	-	-	-	-	-	15,916	2,722	44
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	-	-	231,789	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	202,907	-
Travel & Meals	92	296	873	1,603	26	32	2,131	31,157	4,321	-	9,395	615
Insurance	-	-	-	196,097	-	-	-	-	-	-	-	-
On-Line Services, Dues & Subscriptions	-	345	-	-	-	-	-	195	-	209	-	-
Office Supplies / Printing / Postage/ Advertising	69,203	-	-	3,834	-	-	-	-	-	-	-	-
Total	\$ 281,908	\$ 195,139	\$ 1,121,368	\$ 8,247,262	\$ 551,120	\$ 93,781	\$ 258,516	\$ 739,226	\$ 147,711	\$ 351,436	\$ 1,274,659	\$ 337,290
Balance Remaining												
Personal Services (incl. Benefits)	\$ 416,003	\$ 237,057	\$ 1,311,730	\$ 11,324,095	\$ 1,062,247	\$ 113,917	\$ 322,847	\$ 1,291,078	\$ 330,062	\$ 371,139	\$ 1,120,302	\$ 568,106
Occupancy Expenses	-	-	-	4,514,524	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	5,600,000	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	9,100	964,193	(22,873)	-	-	-	-	-	-	867,956
Office Maint / Prop Mgmt / Other Outside Serv	463,333	200	2,036	404,439	200	-	-	25,000	10,750	19,084	19,778	25,956
Computers/ Software/ Equipment	-	500	-	-	-	-	-	-	-	-	474,211	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	407,093	-
Travel & Meals	408	2,704	4,127	44,467	3,474	2,468	3,869	98,843	25,679	1,500	15,605	7,985
Insurance	-	-	-	245,122	-	-	-	-	-	-	-	-
On-Line Services, Dues & Subscriptions	-	1,155	500	-	-	500	300	3,805	-	1,791	6,000	-
Office Supplies / Printing / Postage/ Advertising	160,797	-	-	13,707	-	-	-	-	-	-	-	-
Total	\$ 879,744	\$ 241,617	\$ 1,327,492	\$ 23,096,840	\$ 1,043,049	\$ 116,885	\$ 327,016	\$ 1,418,727	\$ 366,491	\$ 393,514	\$ 2,042,989	\$ 1,470,003
OVERVIEW												
Annual Budget	\$ 1,161,652	\$ 436,756	\$ 2,448,860	\$ 31,344,102	\$ 1,594,169	\$ 210,666	\$ 585,532	\$ 2,157,953	\$ 514,202	\$ 744,950	\$ 3,317,648	\$ 1,807,293
Actual to Date	\$ 281,908	\$ 195,139	\$ 1,121,368	\$ 8,247,262	\$ 551,120	\$ 93,781	\$ 258,516	\$ 739,226	\$ 147,711	\$ 351,436	\$ 1,274,659	\$ 337,290
Balance Remaining	\$ 879,744	\$ 241,617	\$ 1,327,492	\$ 23,096,840	\$ 1,043,049	\$ 116,885	\$ 327,016	\$ 1,418,727	\$ 366,491	\$ 393,514	\$ 2,042,989	\$ 1,470,003
% of Annual Budget Used	24%	45%	46%	26%	35%	45%	44%	34%	29%	47%	38%	19%

Departmental Budget Variance Report
September 30, 2019

	Internal Audit	Intergovernmental/ Legislative Affairs	Legal	Life Sciences	Loans & Grants	Marketing	Minority Women & Business Division	Motion Pictures & TV	NYSTAR	Portfolio Management & Project Finance	Public Affairs	Real Estate Development & Planning	Regional Councils	Regional Offices- Capital District
ANNUAL BUDGET														
Personal Services (incl. Benefits)	\$ 403,884	\$ 433,951	\$ 3,607,942	\$ 327,449	\$ 1,904,844	\$ 2,181,801	\$ 397,564	\$ 272,637	\$ 1,084,171	\$ 637,126	\$ 1,243,976	\$ 1,451,609	\$ 1,333,836	\$ 140,716
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	400,000	-	-	-	-	-	1,605,600	-	-	750,000	-	-
Office Maint / Prop Mgmt / Other Outside Serv	-	500	16,000	50,000	500	19,172	86,000	300	70,000	12,000	2,500	15,500	135,000	-
Computers/ Software/ Equipment	-	-	-	2,000	-	-	-	-	40,000	-	-	-	-	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	1,500	-	-	-	-	-
Travel & Meals	1,000	7,500	20,000	3,500	7,000	65,000	43,829	5,000	50,000	7,500	18,000	12,000	32,500	2,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
On-Line Services, Dues & Subscriptions	1,425	1,500	85,000	2,500	-	-	3,000	-	7,000	500	2,100	2,000	-	-
Office Supplies / Printing / Postage/ Advertising	-	-	1,000	2,000	-	1,000	1,500	-	27,000	-	-	-	3,000	1,750
Total	\$ 406,309	\$ 443,451	\$ 4,128,942	\$ 385,449	\$ 1,912,344	\$ 2,265,973	\$ 530,393	\$ 277,937	\$ 2,858,271	\$ 657,126	\$ 1,266,576	\$ 2,231,109	\$ 1,501,336	\$ 142,716
ACTUAL TO DATE														
Personal Services (incl. Benefits)	\$ 167,705	\$ 155,193	\$ 1,353,534	\$ 145,558	\$ 871,726	\$ 879,510	\$ 180,896	\$ 124,579	\$ 418,613	\$ 308,542	\$ 440,280	\$ 551,004	\$ 504,991	\$ 63,863
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	105,086	-	-	-	-	-	-	-	-	660	-	-
Office Maint / Prop Mgmt / Other Outside Serv	-	-	15,381	-	-	1,101	48,508	10,988	22,549	-	-	-	31,994	250
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	388	-	-	-	-	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel & Meals	677	3,186	7,011	23	2,790	32,995	9,777	1,344	4,367	2,591	1,812	9,110	4,044	273
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
On-Line Services, Dues & Subscriptions	976	-	40,931	-	-	975	-	-	1,040	275	1,188	156	-	-
Office Supplies / Printing / Postage/ Advertising	-	-	-	-	-	61	-	-	333	-	1,187	-	-	-
Total	\$ 169,358	\$ 158,379	\$ 1,521,943	\$ 145,581	\$ 874,517	\$ 914,581	\$ 239,181	\$ 136,911	\$ 446,957	\$ 311,408	\$ 443,281	\$ 560,930	\$ 541,029	\$ 64,386
Balance Remaining														
Personal Services (incl. Benefits)	\$ 236,179	\$ 278,758	\$ 2,254,408	\$ 181,891	\$ 1,033,118	\$ 1,302,291	\$ 216,668	\$ 148,058	\$ 665,558	\$ 328,584	\$ 803,696	\$ 900,605	\$ 828,845	\$ 76,853
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	294,914	-	-	-	-	-	1,605,600	-	-	749,340	-	-
Office Maint / Prop Mgmt / Other Outside Serv	-	500	619	50,000	500	18,071	37,492	(10,688)	47,451	12,000	2,500	15,500	103,006	(250)
Computers/ Software/ Equipment	-	-	-	2,000	-	-	-	-	39,612	-	-	-	-	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	1,500	-	-	-	-	-
Travel & Meals	323	4,314	12,989	3,477	4,210	32,005	34,052	3,656	45,633	4,909	16,188	2,890	28,456	1,727
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
On-Line Services, Dues & Subscriptions	450	1,500	44,070	2,500	-	(975)	3,000	-	5,960	225	912	1,844	-	-
Office Supplies / Printing / Postage/ Advertising	-	-	1,000	2,000	-	939	1,500	-	26,667	-	(1,187)	-	3,000	1,750
Total	\$ 236,951	\$ 285,072	\$ 2,606,999	\$ 239,868	\$ 1,037,828	\$ 1,351,392	\$ 291,212	\$ 141,026	\$ 2,411,314	\$ 345,718	\$ 823,295	\$ 1,670,179	\$ 960,307	\$ 78,330
OVERVIEW														
Annual Budget	\$ 406,309	\$ 443,451	\$ 4,128,942	\$ 385,449	\$ 1,912,344	\$ 2,265,973	\$ 530,393	\$ 277,937	\$ 2,858,271	\$ 657,126	\$ 1,266,576	\$ 2,231,109	\$ 1,501,336	\$ 142,716
Actual to Date	\$ 169,358	\$ 158,379	\$ 1,521,943	\$ 145,581	\$ 874,517	\$ 914,581	\$ 239,181	\$ 136,911	\$ 446,957	\$ 311,408	\$ 443,281	\$ 560,930	\$ 541,029	\$ 64,386
Balance Remaining	\$ 236,951	\$ 285,072	\$ 2,606,999	\$ 239,868	\$ 1,037,828	\$ 1,351,392	\$ 291,212	\$ 141,026	\$ 2,411,314	\$ 345,718	\$ 823,295	\$ 1,670,179	\$ 960,307	\$ 78,330
% of Annual Budget Used	42%	36%	37%	38%	46%	40%	45%	49%	16%	47%	35%	25%	36%	45%

Departmental Budget Variance Report
September 30, 2019

	Regional Offices- Central NY	Regional Offices- Finger Lakes	Regional Offices- Long Island	Regional Offices- Mid Hudson	Regional Offices- Mohawk Valley	Regional Offices- North Country	Regional Offices- New York City	Regional Offices- Southern Tier	Regional Offices- Western NY	Small Business & Technology Development	Strategic Business Development	Technology & New Media	Trade & Tourism Puerto Rico	Treasury	Total of Departments
ANNUAL BUDGET															
Personal Services (incl. Benefits)	\$ 148,393	\$ 93,840	\$ 291,396	\$ 376,989	\$ 206,512	\$ 136,872	\$ 310,675	\$ 341,606	\$ 1,237,584	\$ 1,954,526	\$ 886,547	\$ 352,847	\$ 237,832	\$ 856,461	\$ 49,923,030
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	75,400	-	8,378,000
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,600,000
Professional Serv/ Consultant Fees/ Agency Temps	-	-	-	-	-	-	-	-	-	55,000	-	-	10,100	-	4,990,600
Office Maint / Prop Mgmt / Other Outside Serv	1,000	-	300	500	750	-	-	-	2,500	10,000	500	300	27,600	-	1,598,572
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-	751,500
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	611,500
Travel & Meals	3,500	500	3,000	8,000	1,500	5,500	2,750	3,000	30,000	20,000	40,000	5,000	12,500	2,000	673,749
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	6,000	-	447,219
On-Line Services, Dues & Subscriptions	-	-	-	500	200	100	450	300	1,000	162,500	2,000	-	-	29,500	316,375
Office Supplies / Printing / Postage/ Advertising	-	250	-	-	-	-	-	-	1,500	1,500	500	-	3,000	-	291,541
Total	\$ 152,893	\$ 94,340	\$ 294,696	\$ 385,989	\$ 208,962	\$ 142,472	\$ 313,875	\$ 344,906	\$ 1,271,084	\$ 2,202,026	\$ 929,047	\$ 358,147	\$ 372,432	\$ 887,961	\$ 73,582,086
ACTUAL TO DATE															
Personal Services (incl. Benefits)	\$ 67,347	\$ 42,589	\$ 135,112	\$ 167,634	\$ 93,724	\$ 63,621	\$ 142,497	\$ 142,982	\$ 513,500	\$ 593,563	\$ 360,249	\$ 161,089	\$ 110,661	\$ 391,128	\$ 17,752,553
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	27,633	-	3,815,710
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	-	-	-	-	-	-	-	-	-	-	5,713	-	462,983
Office Maint / Prop Mgmt / Other Outside Serv	-	-	-	-	117	-	429	-	1,598	24,874	55	-	21,158	-	355,876
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232,177
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	202,907
Travel & Meals	2,180	-	1,742	1,238	716	1,406	864	1,673	4,867	14,043	20,091	1,819	8,240	351	189,771
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	196,097
On-Line Services, Dues & Subscriptions	-	-	-	-	-	-	-	-	-	5,263	800	170	-	14,641	67,164
Office Supplies / Printing / Postage/ Advertising	-	-	-	-	-	-	-	-	-	-	-	-	9,207	-	83,825
Total	\$ 69,527	\$ 42,589	\$ 136,854	\$ 168,872	\$ 94,557	\$ 65,027	\$ 143,790	\$ 144,655	\$ 519,965	\$ 637,743	\$ 381,195	\$ 163,078	\$ 173,405	\$ 406,121	\$ 23,275,237
Balance Remaining															
Personal Services (incl. Benefits)	\$ 81,046	\$ 51,251	\$ 156,284	\$ 209,355	\$ 112,788	\$ 73,251	\$ 168,178	\$ 198,624	\$ 724,084	\$ 1,360,963	\$ 526,298	\$ 191,758	\$ 127,171	\$ 465,333	\$ 32,170,477
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	47,767	-	4,562,291
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,600,000
Professional Serv/ Consultant Fees/ Agency Temps	-	-	-	-	-	-	-	-	-	55,000	-	-	4,387	-	4,527,617
Office Maint / Prop Mgmt / Other Outside Serv	1,000	-	300	500	633	-	(429)	-	902	(14,874)	445	300	6,442	-	1,242,696
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-	519,323
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	408,593
Travel & Meals	1,320	500	1,258	6,762	784	4,094	1,886	1,327	25,133	5,957	19,909	3,181	4,260	1,649	483,978
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	6,000	-	251,122
On-Line Services, Dues & Subscriptions	-	-	-	500	200	100	450	300	1,000	157,237	1,200	(170)	-	14,859	249,211
Office Supplies / Printing / Postage/ Advertising	-	250	-	-	-	-	-	-	1,500	1,500	500	-	(6,207)	-	207,716
Total	\$ 83,366	\$ 51,751	\$ 157,842	\$ 217,117	\$ 114,405	\$ 77,445	\$ 170,085	\$ 200,251	\$ 751,119	\$ 1,564,283	\$ 547,852	\$ 195,069	\$ 199,027	\$ 481,840	\$ 50,015,308
OVERVIEW															
Annual Budget	\$ 152,893	\$ 94,340	\$ 294,696	\$ 385,989	\$ 208,962	\$ 142,472	\$ 313,875	\$ 344,906	\$ 1,271,084	\$ 2,202,026	\$ 929,047	\$ 358,147	\$ 372,432	\$ 887,961	\$ 73,582,086
Actual to Date	\$ 69,527	\$ 42,589	\$ 136,854	\$ 168,872	\$ 94,557	\$ 65,027	\$ 143,790	\$ 144,655	\$ 519,965	\$ 637,743	\$ 381,195	\$ 163,078	\$ 173,405	\$ 406,121	\$ 23,275,237
Balance Remaining	\$ 83,366	\$ 51,751	\$ 157,842	\$ 217,117	\$ 114,405	\$ 77,445	\$ 170,085	\$ 200,251	\$ 751,119	\$ 1,564,283	\$ 547,852	\$ 195,069	\$ 199,027	\$ 481,840	\$ 50,306,849
% of Annual Budget Used	45%	45%	46%	44%	45%	46%	46%	42%	41%	29%	41%	46%	47%	46%	32%

**Subsidiary Operating Budget Summary Variance Report
September 30, 2019**

	Atlantic Yards Community Development Corporation	Convention Center Development Corporation	Empire State New Market Corporation	Erie Canal Harbor Development Corporation	New York Empowerment Zone Corporation	Harlem Community Development Corporation	Moynihan Station Development Corporation	Queens West Development Corporation	USA Niagara Development Corporation	Total	Harlem Community Development Weatherization	Lower Manhattan Development Corporation
ANNUAL BUDGET												
Personal Services (incl. Benefits)	\$203,997	\$422,615	\$0	\$1,039,188	\$341,557	\$1,178,741	\$970,927	\$61,221	\$622,617	\$4,840,863	\$608,804	\$675,000
Occupancy Expenses	11,750	25,000	0	75,000	0	11,000	0	15,000	63,300	201,050	0	1,300,678
Repairs / Maint / Prop Mgmt / Other Outside Serv / Expenses	10,683	10,000	1,250	99,700	100	30,000	20,000	400	2,500	174,633	496,981	5,500
Computers, Software & Equipment	0	0	0	0	0	10,000	5,000	0	4,000	19,000	0	9,000
Telephone/Fax/Internet	0	3,000	1,000	4,000	500	11,500	40,000	0	10,000	70,000	5,580	14,256
Legal / Accounting Fees	0	50,000	100,000	2,500	25,000	62,500	0	1,000	250	241,250	13,000	0
Consulting Fees	0	100,000	300,000	0	0	5,000	10,000	0	0	415,000	0	5,000
Office Supplies / Printing / Advertising	0	3,000	0	4,800	0	30,000	10,000	0	500	48,300	8,450	25,000
Insurance	23,570	21,763	12,250	40,000	6,223	67,595	27,246	5,546	21,480	225,673	13,500	0
Travel & Meals	0	10,000	4,000	1,000	1,000	5,000	2,500	0	250	23,750	12,500	0
On-Line Services, Dues & Subscriptions	0	300	3,500	1,500	0	6,000	0	0	3,000	14,300	1,200	0
Total	\$250,000	\$645,678	\$422,000	\$1,267,688	\$374,380	\$1,417,336	\$1,085,673	\$83,167	\$727,897	\$6,273,819	\$1,160,015	\$2,034,434
ACTUAL SPENDING TO DATE												
Personal Services (incl. Benefits)	\$60,756	\$175,291	\$0	\$366,720	\$136,374	\$371,253	\$339,976	\$25,812	\$164,371	\$1,640,553	\$251,455	\$325,169
Occupancy Expenses	4,704	9,409	0	27,429	0	0	0	4,704	31,650	77,897	0	65,363
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	929	173	610	1,811	0	4,355	674	0	1,773	10,325	174,869	5,500
Computers, Software & Equipment	0	0	0	0	0	340	0	0	1,551	1,891	0	3,564
Telephone/Fax/Internet	0	0	0	947	0	3,332	12,505	0	995	17,780	2,366	4,584
Legal / Accounting Fees	0	22,000	18,432	0	25,000	14,600	0	0	548	80,580	13,000	0
Consulting Fees	0	0	0	0	0	0	0	0	0	0	0	2,626
Office Supplies / Printing / Advertising	0	0	0	1,293	0	2,785	2,645	0	365	7,088	4,200	807
Insurance	5,545	6,728	4,745	17,088	3,559	21,574	7,769	2,564	5,423	74,995	12,290	0
Travel & Meals	0	0	0	0	201	501	2,426	0	75	3,203	4,616	0
On-Line Services, Dues & Subscriptions	0	0	0	620	0	213	0	0	125	957	1,000	0
Total	\$71,934	\$213,600	\$23,787	\$415,907	\$165,134	\$418,953	\$365,994	\$33,081	\$206,876	\$1,915,267	\$463,795	\$407,613
BALANCE REMAINING												
Personal Services (incl. Benefits)	\$143,241	\$247,324	\$0	\$672,468	\$205,183	\$807,488	\$630,951	\$35,409	\$458,246	\$3,200,310	\$357,349	\$349,831
Occupancy Expenses	7,046	15,591	0	47,571	0	11,000	0	10,296	31,650	123,153	0	1,235,315
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	9,754	9,828	640	97,889	100	25,645	19,326	400	727	164,308	322,112	0
Computers, Software & Equipment	0	0	0	0	0	9,660	5,000	0	2,449	17,109	0	5,436
Telephone/Fax/Internet	0	3,000	1,000	3,053	500	8,168	27,495	0	9,005	52,220	3,214	9,672
Legal / Accounting Fees	0	28,000	81,568	2,500	0	47,900	0	1,000	(298)	160,670	0	0
Consulting Fees	0	100,000	300,000	0	0	5,000	10,000	0	0	415,000	0	2,374
Office Supplies / Printing / Advertising	0	3,000	0	3,507	0	27,215	7,355	0	135	41,212	4,250	24,193
Insurance	18,025	15,035	7,505	22,912	2,664	46,021	19,477	2,982	16,057	150,678	1,210	0
Travel & Meals	0	10,000	4,000	1,000	799	4,499	74	0	175	20,547	7,885	0
On-Line Services, Dues & Subscriptions	0	300	3,500	880	0	5,787	0	0	2,875	13,343	200	0
Total	\$178,066	\$432,078	\$398,213	\$851,781	\$209,246	\$998,383	\$719,679	\$50,086	\$521,021	\$4,358,552	\$696,220	\$1,626,821
OVERVIEW												
Annual Budget	\$250,000	\$645,678	\$422,000	\$1,267,688	\$374,380	\$1,417,336	\$1,085,673	\$83,167	\$727,897	\$6,273,819	\$1,160,015	\$2,034,434
Actual to Date	\$71,934	\$213,600	\$23,787	\$415,907	\$165,134	\$418,953	\$365,994	\$33,081	\$206,876	\$1,915,267	\$463,795	\$407,613
Balance Remaining	\$178,066	\$432,078	\$398,213	\$851,781	\$209,246	\$998,383	\$719,679	\$50,086	\$521,021	\$4,358,552	\$696,220	\$1,626,821
% of Annual Budget Used	28.77%	33.08%	5.64%	32.81%	44.11%	29.56%	33.71%	39.78%	28.42%	30.53%	39.98%	20.04%

Subsidiary Capital Budget Summary Variance Report
September 30, 2019

	Convention Center Development Corporation	Erie Canal Harbor Development Corporation	Harlem Community Development Corporation	Moynihan Station Development Corporation	Queens West Development Corporation	USA Niagara Development Corporation	Total All Subsidiaries
<u>ANNUAL BUDGET</u>							
Acquisition Costs	\$0	\$100,000	\$0	\$0	\$0	\$14,605,000	\$14,705,000
Design & Other Soft Costs	6,000,000	7,308,777	0	4,961,880	0	2,125,657	20,396,314
Legal Costs	2,000,000	550,000	0	250,000	40,000	108,464	2,948,464
Property Management/Maintenance Costs	14,000,000	2,260,500	0	0	120,000	1,400,000	17,780,500
Insurance	0	120,000	0	1,500,000	0	600,000	2,220,000
Demolition & Site Clearance	0	0	0	0	0	6,000,000	6,000,000
Construction Costs	430,000,000	30,114,920	250,000	474,665,400	1,350,000	7,244,302	943,624,622
Other Misc. Costs	10,000,000	300,000	0	500,000	0	8,856,269	19,656,269
Total	\$462,000,000	\$40,754,197	\$250,000	\$481,877,280	\$1,510,000	\$40,939,692	\$1,027,331,169
<u>ACTUAL SPENDING TO DATE</u>							
Acquisition Costs	\$0	\$0	\$0	\$0	\$0	\$14,466,458	\$14,466,458
Design & Other Soft Costs	3,758,219	905,608	0	503,418	0	615,921	5,783,166
Legal Costs	205,903	18,974	0	72,696	0	0	297,573
Property Management/Maintenance Costs	3,683,612	530,774	0	0	12,156	717,140	4,943,682
Insurance	0	55,029	0	498,235	0	83,670	636,934
Demolition & Site Clearance	0	0	0	0	0	0	0
Construction Costs	163,860,757	3,101,182	0	206,504,982	0	0	373,466,921
Other Misc. Costs	0	129,719	0	0	0	769,916	899,635
Total	\$171,508,491	\$4,741,285	\$0	\$207,579,331	\$12,156	\$16,653,105	\$400,494,369
<u>BALANCE REMAINING</u>							
Acquisition Costs	\$0	\$100,000	\$0	\$0	\$0	\$138,542	\$238,542
Design & Other Soft Costs	2,241,781	6,403,169	0	4,458,462	0	1,509,736	14,613,149
Legal Costs	1,794,097	531,026	0	177,304	40,000	108,464	2,650,891
Property Management/Maintenance Costs	10,316,388	1,729,726	0	0	107,844	682,860	12,836,818
Insurance	0	64,971	0	1,001,765	0	516,330	1,583,066
Demolition & Site Clearance	0	0	0	0	0	6,000,000	6,000,000
Construction Costs	266,139,243	27,013,738	250,000	268,160,418	1,350,000	7,244,302	570,157,701
Other Misc. Costs	10,000,000	170,281	0	500,000	0	8,086,353	18,756,634
Total	\$290,491,509	\$36,012,912	\$250,000	\$274,297,949	\$1,497,844	\$24,286,587	\$626,836,800
<u>ANNUAL OVERVIEW</u>							
Annual Budget	\$462,000,000	\$40,754,197	\$250,000	\$481,877,280	\$1,510,000	\$40,939,692	\$1,027,331,169
Actual Spending to Date	\$171,508,491	\$4,741,285	\$0	\$207,579,331	\$12,156	\$16,653,105	\$400,494,369
Balance Remaining	\$290,491,509	\$36,012,912	\$250,000	\$274,297,949	\$1,497,844	\$24,286,587	\$626,836,800
% of Budget Used	37.12%	11.63%	0.00%	43.08%	0.81%	40.68%	38.98%