

NYS Urban Development Corporation Meeting

37th Floor Conference Room

Thursday, 4/19/2018

9:30 - 11:30 AM ET

I. For Consideration

A. REPORTS - Oral

A. President's Report

B. Loans and Grants - Summary of Projects

II. Projects

A. Buffalo (Western New York Region – Erie County) – UB Innovation Hub Capital and Working Capital – Buffalo Regional Innovation Cluster (Capital and Working Capital Grant) Presented By: Approve

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

UB Innovation Hub Capital and Working Capital - Page 4

B. Buffalo (Western New York Region – Erie County) – Buffalo Blueway Capital – Buffalo Regional Innovation Cluster (Capital Grant) Presented By: Approve

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

Buffalo Blueway Capital - Page 16

C. Lackawanna (Western New York Region – Erie County) – City of Lackawanna Smart Growth Capital – Buffalo Regional Innovation Cluster (Capital Grant)

Presented By: Approve

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

City of Lackawanna Smart Growth Capital - Page 28

City of Lackawanna Smart Growth Capital Photographs - Page 39

D. Jamestown (Western New York Region – Chautauqua County) – National Comedy Center Electronic Video Screens Capital – New York Works Economic Development Fund (Capital Grant) Presented By: Approve

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

National Comedy Center Electronic Video Screens Capital - Page 43

National Comedy Center Electronic Video Screens Capital Photographs - Page 53

E. Buffalo (Western New York Region – Erie County) – Workforce Development Challenge Working Capital – Buffalo Regional Innovation Cluster (Working Capital Grant) Presented By: Approve

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

Workforce Development Challenge Working Capital - Page 54

- F. Regional Council Award – New Paltz (Mid-Hudson Region – Ulster County) – The Research Foundation of SUNY New Paltz Capital – Regional Council Capital Fund (Capital Grant)** Presented By: Approve
Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and Take Related Actions; Determination of No Significant Effect on the Environment
The Research Foundation of SUNY New Paltz Capital - Page 63
The Research Foundation of SUNY New Paltz Capital Photographs - Page 74
- G. Regional Council Award – Mount Vernon (Mid-Hudson Region – Westchester County) – Sprague Operating Resources Capital – Regional Council Capital Fund (Capital Grant)** Presented By: Approve
Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and Take Related Actions
Sprague Operating Resources Capital - Page 77
- H. Regional Council Award – Priority Project – Hudson (Capital Region – Columbia County) – The Wick Hotel Capital – Regional Council Capital Fund (Capital Grant)** Approve
Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment
The Wick Hotel Capital - Page 85
The Wick Hotel Photographs - Page 98
- I. Regional Council Award – Priority Project – Schenectady (Capital Region – Schenectady County) – Adeline Graham Center Capital – Regional Council Capital Fund (Capital Grant)** Approve
Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
Adeline Graham Center Capital - Page 103
Adeline Graham Center Capital Photographs - Page 113
- J. Regional Council Award – Priority Project - Rochester (Finger Lakes Region – Monroe County) – Special Touch Bakery Capital – Regional Council Capital Fund (Capital Grant)** Approve
Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment
Special Touch Bakery Capital - Page 117
- K. Regional Council Award – Stony Brook (Long Island Region – Suffolk County) – SBU MRI Capital – Regional Council Capital Fund (Capital Grant)** Approve
Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
SBU MRI Capital - Page 130
SBU MRI Capital Photographs - Page 139
- L. Regional Council Award – Potsdam (North Country Region – St. Lawrence County) – LC Drives 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

LC Drives Capital - Page 141

M. Regional Council Award – City of Auburn (Central New York Region – Cayuga County) – City of Auburn – Smart Grid Implementation Capital – Regional Council Capital Grant(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

City of Auburn-Smart Grid Implementation Capital - Page 152

N. Regional Council Award – Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard – Urban Technology – New Lab Capital – Regional Council Capital Fund (Capital Grant)

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

Brooklyn Navy Yard-Urban Technology-New Lab Capital - Page 161

III. Statewide - New York State Electric Generation Facility Cessation Mitigation Program

A. Statewide – New York State Electric Generation Facility Cessation Mitigation Program

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

New York State Electric Generation Facility Cessation Mitigation Program - Page 172

IV. Administrative Actions

A. Atlantic Yards Land Use Improvement and Civic Project - Procurement of Environmental Consulting Services Approve

Authorization to Amend the Contract with Henningson, Durham & Richardson, Architecture and Engineering, P.C. to Continue to Provide Mitigation Monitoring Consulting Services; and Authorization to Take Related Actions

Atlantic Yards Procurement of Environmental Consulting Services - Page 180

B. RiverBend Project (Buffalo - Erie County) - Contract for Consulting Services

Approve

Authorization to Amend a Contract for Consultant Services Relating to the RiverBend Project; Delegation of Authority; and Authorization to Take Related Actions

RiverBend Consulting Services Contract - Page 187

FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Buffalo (Western New York Region – Erie County) – UB Innovation Hub
Capital and Working Capital – Buffalo Regional Innovation Cluster
(Capital and Working Capital)

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

General Project Plan

I. Project Summary

Grantee: The Research Foundation for the State University of New York (“RF
SUNY”) on behalf of the State University of New York at Buffalo
 (“University” or “UB”)

ESD* Investment: A grant of up to \$32,000,000 to be used as capital and working capital
to provide technology commercialization support

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

Project Locations: NYS Center of Excellence in Bioinformatics and Life Sciences (“CBLS”)
701 Ellicott Street, Buffalo, NY 14203;
Jacobs School of Medicine and Biomedical Sciences
955 Main Street, Buffalo, NY 14203;
Biomedical Research Building
UB South Campus, Buffalo, NY 14214;
Clinical and Translational Research Center (“CTRC”)
875 Ellicott Street, Buffalo, NY 14203
UB Foundation Incubator, Baird Research Park,
1576 Sweet Home Road, Amherst, NY 14228

Proposed Project: Establishment of The Innovation Hub (“Hub”) that will involve: (1) planning, design, renovation, construction, furniture, fixtures and equipment (“FF&E”) for the creation of an incubation space at the UB Center for Bioinformatics & Life Sciences (“CBLs”); (2) establishment of a technology innovation investment fund (the “Investment Fund”); and (3) entrepreneur outreach and support services; and administrative personnel support

Project Type: Innovation/Entrepreneurship

Regional Council: The Western New York Regional Economic Development Council has been made aware of this item. The project is consistent with the Regional Plan as it advances innovation in the WNY region.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Capital Expenses		
Planning, Design, Renovation, Construction	\$7,000,000	
Working Capital Expenses		
Innovation Investment Fund	13,500,000	
Entrepreneur Services, Programs, & Events	6,901,441	
Salaries and Benefits	<u>4,598,559</u>	
Total Project Costs	<u>\$32,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$32,000,000</u>	<u>100%</u>
Total Project Financing	<u>\$32,000,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: RF SUNY is an educational corporation that administers externally funded contracts and grants for and on behalf of the State University of New York. It is a separate not-for-profit corporation, and as such is not supported by state appropriated tax dollars, nor does it receive support services provided to New York State agencies. RF SUNY provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution.

Opened in 2006, the CBLs, where the incubation space will be established, was the first UB facility on the Buffalo Niagara Medical Campus (“BNMC”) in downtown Buffalo. The BNMC is made up of a consortium of the region’s premier healthcare organizations, life sciences research facilities, and medical institutions all dedicated to clinical care, research, education and entrepreneurship. In recent years, the BNMC has become a hub of innovation for the region for many different industry sectors. The CBLs is a hub for innovation and technology-based economic development driving scientific discovery, facilitating collaboration among academia, industry and the public sector to create jobs that directly impact the region’s and state’s economies.

Grantee History: RF SUNY was established in 1951.

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

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

ESD Involvement: In his January 2017 State of the State address, Governor Andrew M. Cuomo announced Phase II of the Buffalo Billion Initiative, a \$500 million investment in Western New York. Included in this plan was a \$40 million allocation to create an Innovation Hub on the BNMC. The Hub would leverage resources of the BNMC’s partner organizations – including UB, 43North, and Roswell Park – to help further advance the entrepreneurial ecosystem in the Buffalo Niagara Region. It would include three main aspects: (1) the Investment Fund to support proof of concept and pre-seed/seed investments; (2) incubation and accelerator workspaces to support existing start-ups and form new companies; and (3) expert support, mentoring, and entrepreneurship programs and services that will assist start-ups through all phases.

UB will use the \$32 million grant to establish the first phase of the Hub, which involves renovation, construction, and FF&E associated with creating an incubator and entrepreneur support space; establishment of the Investment Fund; operational costs to coordinate and develop programming; and administrative support. Future grants from the remaining \$8 million will be made for accelerators and innovation to other organizations.

Competition: N/A

Past ESD Support: Funding for the past five years, totaling \$69,092,990 to UB is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Buffalo Regional Innovation Cluster Buffalo Regional Innovation Cluster	Z200	\$32,500,000	July 17, 2014	December 2018	Capital– FF&E for the Buffalo-Niagara Institute for Advanced Manufacturing Competitiveness
	Z206 Z207	\$30,000,000	June 27, 2014	December 2026	Working Capital/ Capital– Establish the New York State Genomic Medicine and Big Data Center
	Y571 Z433 AB193	\$903,487 \$1,999,503 \$750,000	May 16, 2013 May 12, 2014 June 23, 2016	October 2016 October 2017 October 2018	Working Capital – Buffalo Billion implementation (consultant)
Local Assistance	W891	\$980,000	June 27, 2014	December 2014	Working Capital – Buffalo Center of Excellence in Bioinformatics and Life Sciences
	X218	\$980,000	June 27, 2014	December 2015	
	X561	\$980,000	June 27, 2014	December 2016	

B. The Project

Completion: December 2023

Activity: The project involves planning, design, renovation, and construction costs for the renovation of the CBLS into incubation and entrepreneur support space and buildout of space at the Jacobs Medical School, UB South Campus’s Biomedical Research Building, and the CTRC to accommodate relocating faculty and staff from CBLS; and the purchase and installation of FF&E. Incubator space will be made available to companies affiliated with UB and partner organizations (“Participating Institutions”), including (but not limited to) Roswell Park Comprehensive Cancer Center (“RPCCC”), Kaleida Health (“Kaleida”), Hauptman Woodward Research Institute (“HWI”), and Jacobs Institute (“JI”). UB will utilize additional space in CBLS for entrepreneur support programs, events, education, and related services.

Operational funds will be used to establish the Investment Fund to provide proof of concept and pre-seed/seed investments for start-ups; provide outreach to and engagement with UB and Participating Institutions’ faculty, staff, alumni, and students to increase the number

and quality of start-up opportunities; coordinate and execute start-up support programming and develop new initiatives to guide start-ups through all phases of development; and personnel support to administer the new programs and services.

Results: The Hub will provide comprehensive, seamless support to accelerate growth of start-ups, facilitating the transfer of innovations across all different technologies and sectors, from UB and its partners into new enterprises. Locating on the BNMC and partnerships with UB and its Partnering Institutions will enable the many technology innovations being explored by its researchers to be commercialized via new ventures, and will allow for leveraging extensive resources. The Hub will provide the critical infrastructure needed at each institution to build a strong pipeline of ongoing innovators. By building this network of entrepreneurial support, expertise, funding, and facilities, the region will build on its foundation and accelerate the growth of Buffalo’s innovation economy.

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: Ms. Christina P. Orsi
Associate Vice President, Economic Development
516 Capen Hall
Buffalo, NY 14260
Phone: (716) 645-3038
E-mail: cporsi@buffalo.edu

ESD Project No.: AC976

Project Team:	Origination	Amanda Mays
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Kathleen Uckert
	Design & Construction	Dennis Conroy
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. Up to \$32,000,000 will be disbursed to the Grantee as follows:

Working Capital Funds: Up to \$25,000,000 will be disbursed to the Grantee in three advance installments as follows:

- a) An Initial Advance of \$10,583,333 will be disbursed upon execution of the Grant Disbursement Agreement. The advance will include:
 - i. \$6,750,000 in Investment Fund monies
 - ii. \$3,833,333 for entrepreneur support services, program, and events; salaries and benefits (“Operational Costs”)
- b) A Second Advance of \$3,833,333 upon documentation of eligible expenses, verified by a third-party Certified Public Accountant, of at least 50% of the Initial Advance Operational Costs (\$1,916,667).
- c) A Final Advance of \$10,583,334 (\$6,750,000 remaining Investment Fund monies and \$3,833,334 for Operational Costs) upon documentation of at least \$10,812,500 verified by a third-party Certified Public Accountant, which includes:
 - i. \$8,895,833 of the Initial Advance (100% of \$3,833,333 in Operational Costs and 75% of \$6,750,000 in Investment Fund monies) and
 - ii. At least 50% of the Second Advance (\$1,916,667).

With submission of the Second and Final working capital advance payments, a report including the following information will be submitted:

Project goals, steps implemented to achieve those goals, project results, project effectiveness and challenges/unexpected events. This report must include:

- iii. Number, name of beneficiary and amount of investments/awards made from Fund
- iv. Number and name of incubator tenants at CBLIS
- v. Funds raised by beneficiaries
- vi. Location of each beneficiary/incubator tenant
- vii. Jobs created/retained by each beneficiary/incubator tenant

Capital Funds: Up to \$7,000,000 will be disbursed to the Grantee in two installments as follows:

- a) \$3,000,000 will be disbursed in arrears upon documentation of eligible capital expenses incurred and paid, verified by a third-party Certified Public Accountant, for planning, design, construction/renovation, and FF&E expenses of at least \$3,000,000, 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.
- b) Up to \$4,000,000 will be disbursed in arrears upon documentation of additional eligible capital expenses incurred and paid, verified by a third-party Certified Public Accountant, planning, design, construction, and FF&E expenses of at least \$4,000,000 (\$7,000,000 cumulative), 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.

Within 24 months of Final Advance, ESD will require documentation of cumulative eligible capital and working capital project expenditures of \$32,000,000, verified by a third-party Certified Public Accountant, and submission of required reports.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2024. Expenditures incurred prior to April 1, 2018 are not eligible project costs and cannot be reimbursed by grant funds.

Grantee shall demonstrate compliance with protocols recommended by Guidepost Solutions which include the following:

- a. Grantee shall be required to demonstrate to ESD's satisfaction, that project costs to be paid for by ESD grant funds are incurred in arms-length transactions;
- b. Grantee shall be required to procure materials, contractors and services to be paid for with ESD grant funds in accordance with a competitive procurement process approved by ESD;
- c. Grantee shall be required to submit standard AIA documentation and other appropriate documentation supporting construction related costs that are to be paid by ESD grant funds;
- d. Grantee shall be required for each payment to submit a certification confirming the lack of bribery, collusion and the fair price of invoices submitted.
- e. Grantee shall be required to submit additional documentation verifying project expenses as may be required by ESD.

4. In addition to reporting requirements, the following is required:

- a) Proof of Concept Project Awards – Returns from Net Royalty: Relative to Proof of Concept Project Awards, the grantee Participating Institution(s) shall ensure that thirty percent (30%) of the net license and equity revenue ("Net Royalty") received from the commercialization of any technology supported by a Fund Proof of Concept Award is returned to the Fund within ninety (90) days of receipt. For clarity, Net Royalty does not include reimbursement for patent costs or other allowed deductions under the Participating Institution's policies. The Inventor revenue-sharing provisions of the Participating Institution's patents and inventions policy shall apply. Subsequent modifications to any Participating Institution's patents and inventions policies shall not affect Innovation Investment Fund recovery of 30% of Net Royalty received from the commercialization of the Innovation Investment Fund supported technology connected with this Project, provided it does not impact the inventor's distribution share.

A revenue cap of 40 times the Proof of Concept Award amount will be in effect for each award. For example, if an award of \$50,000 is made, the Participating Institution will pay 30% of Net Royalty until a cap of \$2,000,000 is paid.

In any case where a Participating Institution waives ownership rights to a technology previously supported with a grant from the Fund to the inventors, the conditions of waiver to inventor(s) requires that inventor(s) must share a negotiated percent of any revenue generated by the inventor(s) commercialization of such technology to the Innovation Investment Fund.

- b) Innovation Proof of Concept Award Investment Fund Cap: A goal of the Hub is to become self-sustaining such that the programs described herein may continue and expand after the conclusion of New York State funding. To that end, the intent is to grow the amount of the Fund to \$50,000,000 plus an annual adjustment for inflation (“Innovation Investment Fund Cap”). When the Innovation Investment Fund Cap is exceeded, the Participating Institution(s) may decrease the Net Royalty share from 30% to 10%.
 - c) Seed Investments – Returns from Equity: All future proceeds from Seed Investments made by the Fund must be reinvested in the Hub.
 - d) Innovation Investment Fund – Use of Returns from Net Royalty and Equity: Returns generated from Proof of Concept Project Awards and Seed Investments will be used to replenish and grow the Hub. Returns to the Fund will be allocated to 1) Salaries & Benefits, 2) Entrepreneur Services, Programs and Events, and 3) the Fund (specifically not Real Estate), generally in proportion to the allocations described above in the Project Budget; provided, however, the allocations may be changed as needed to meet the objectives set out in the Use of Funds above. Returns as described above will be made back into the Fund in perpetuity.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$32,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors

IV. Statutory Basis – Buffalo Regional Innovation Cluster Fund

The funding was authorized in the 2017-2018 New York State budget and 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.

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

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the eligible categories totaling approximately \$1,599,000. As such, the goal MWBE utilization shall be no less than \$479,700.

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

Buffalo (Western New York Region – Erie County) – UB Innovation Hub Capital and Working Capital – Buffalo Regional Innovation Cluster (Capital and Working 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 UB Innovation Hub Capital and Working Capital – Buffalo Regional Innovation Cluster (Capital and Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Research Foundation for the State University of New York on behalf of the State University of New York at Buffalo a grant for a total amount not to exceed Thirty Two Million Dollars (\$32,000,000) from the Buffalo Regional Innovation Cluster, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

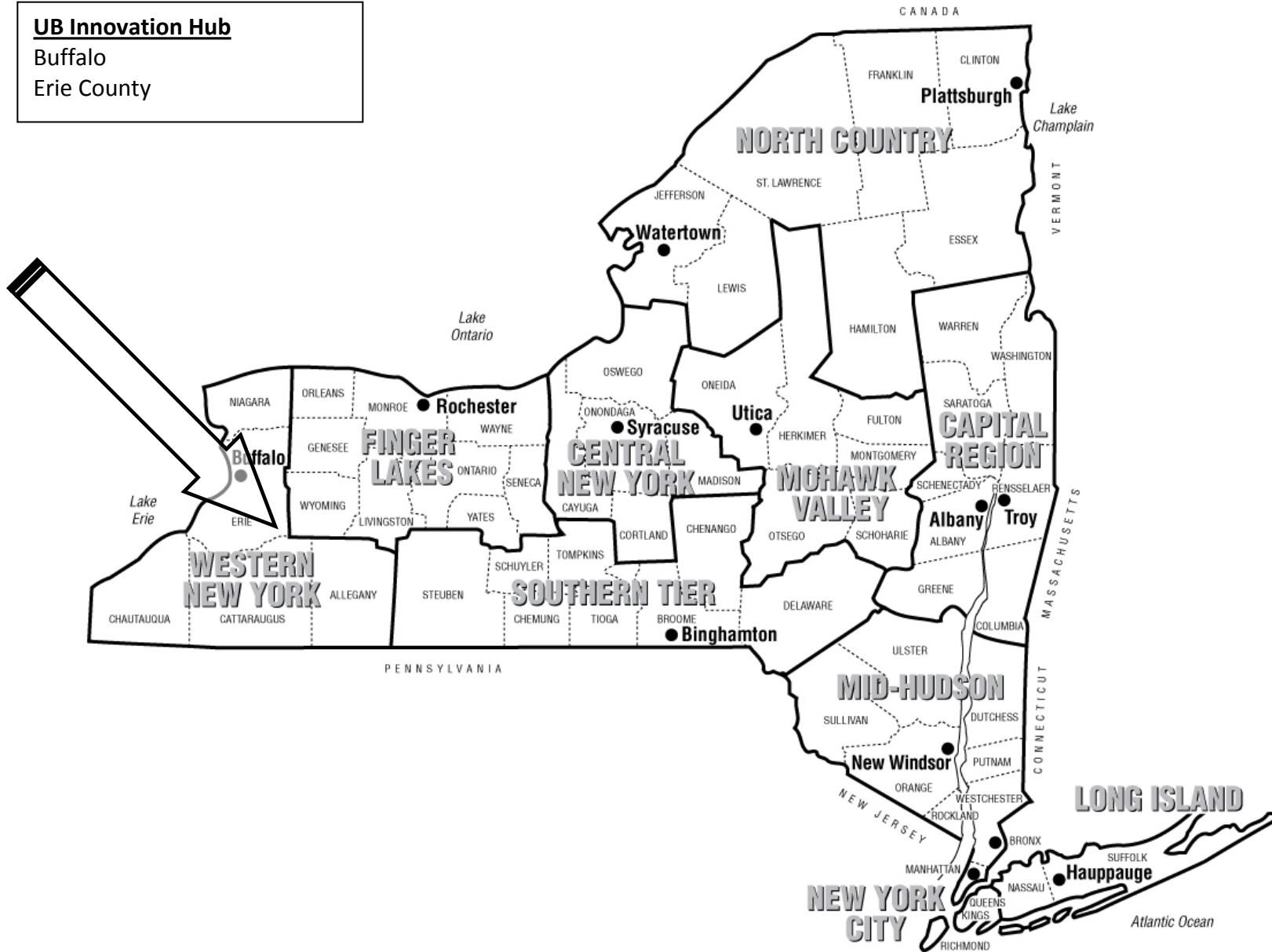
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary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

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UB Innovation Hub

Buffalo

Erie County



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Buffalo (Western New York Region – Erie County) – Buffalo Blueway Capital – Buffalo Regional Innovation Cluster (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Buffalo Niagara Waterkeeper (“Waterkeeper” or the “Organization”)

ESD* Investment: A grant of up to \$7,544,367 for Phase II of the project including construction of the Buffalo Blueway (“Blueway”), a recreational water trail route along the waterfront of Western New York

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

Project Location: Buffalo, Erie County

Proposed Project: Construction of a network of public access points along the Lake Erie corridor, Niagara River, and Buffalo River

Project Type: Tourism/Recreation

Regional Council: The Western New York Regional Economic Development Council has been made aware of this item. The project is consistent with the Regional Plan as it promotes tourism and implements smart growth principles.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Phase I^(a)	
Planning (Waterkeeper self-perform)	\$384,460
Contracted Planning Services	165,000
Design (Waterkeeper self-perform)	865,759
Contracted Design Services	500,000
Marketing/Promotion (Waterkeeper self-perform)	329,939
Contracted Marketing Services	175,000
Program/Office Expenses	27,345
Supplies, Permits, Licenses, Administrative:	<u>8,130</u>
Sub-Total Phase I Project Costs	<u>\$2,455,633</u>
Phase II^(b)	
Waterkeeper Professional Services	\$628,367
Contracted Services	266,000
Construction	<u>6,650,000</u>
Sub-Total Phase II Project Costs	<u>\$7,544,367</u>
Total Project Costs	<u>\$10,000,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant (Phase I) ^(a)	\$2,455,633	25%
ESD-Grant (Phase II) ^(b)	<u>7,544,367</u>	<u>75%</u>
Total Project Financing	<u>\$10,000,000</u>	<u>100%</u>

(a) Approved by ESD Directors on March 29, 2018

(b) Currently being requested.

III. Project Description

A. Grantee

Industry: Buffalo Niagara Waterkeeper is a community-based not-for-profit organization dedicated to protecting the quality and quantity of water, while connecting people to water. The Niagara River Watershed, covering 225 square miles with 7 major tributaries, is the principal drainage of Lakes Superior, Huron, Michigan, and Erie, which make up almost 20 percent of the world's available freshwater. Western New York's small neighboring islands have faced significant strain from industrial development like mining and construction. This environmental stress on the Niagara River Watershed has taken a toll on its water

quality, contributed to shoreline degradation, and decrease in wildlife populations. In addition, combined sewer systems in Buffalo and surrounding areas often mean the watershed is affected by stormwater runoff and sewer overflow. Waterkeeper works to clean up pollution in the river, restore habitats for fish and wildlife, enhance public access through greenways that expand parks, and open space and solicit public outreach. The Organization works in several watersheds in the region, including the Buffalo River Watershed (including Tonawanda Creek, Cayuga Creek, and Scajaquada Creek), the Niagara River, and Outer Harbor.

- Grantee History:** In 1989, the New York State Department of Environmental Conservation (“NYSDEC”) completed the first Buffalo River Remedial Action Plan (“RAP”). That same year, concerned citizens formed the “Friends of the Buffalo River”, a group focused on the environmental health of the Buffalo River – one of the 43 Areas of Concern (“AOC”) along the Great Lakes. The group worked throughout the 1990’s, protecting areas along the river from further industrial degradation and collaborating on three Buffalo River habitat restoration projects. By 2000, Friends of the Buffalo River had expanded the scope of its mission to include the Niagara River, becoming “Friends of the Buffalo and Niagara River (“FBNR”),” and a year later hired their first paid employee. By 2005, FBNR became a member of the Waterkeeper Alliance and shortened its name to Buffalo Niagara Riverkeeper. In fall 2017, the Organization changed its name to Buffalo Niagara Waterkeeper, recognizing its expanded efforts to not only protect waterways in the region, but also to restore and connect people to clean water. Waterkeeper is now an organization with over 21 employees and an ever-broadening support system in the Buffalo-Niagara region.
- Ownership:** Waterkeeper is a not-for-profit organization. It is a member of the global Waterkeeper Alliance.
- Size:** Waterkeeper has 21 staff members and a 15-member Board of Directors.
- ESD Involvement:** In 2017, Waterkeeper was awarded \$10,000,000 through the Governor’s Buffalo Billion Phase II initiative in an effort to enhance and expand waterfront access. The Buffalo Billion II investment will connect a network of public access points located strategically near existing sites and attractions along the Lake Erie Corridor, Niagara River, and Buffalo River aimed at increasing recreation and tourism.
- The \$10,000,000 award was brought before the ESD Directors in two phases. On March 29, 2018, the ESD Directors approved \$2,455,633 in Phase I funding for operational costs and pre-construction activities

including planning, design, and environmental reviews. This allowed the project to begin and SEQRA review take place. The planning and design is being used to select the sites for project development that will be constructed. Today, the ESD Directors are being asked to approve \$7,544,367 in Phase II funding for final design and construction.

Competition: N/A

Past ESD Support: Prior to ESD approval in March 2018 for Phase I of this grant, the Grantee had received no funding from ESD.

B. The Project

Completion: December 2021

Activity: The Phase II project involves construction activities including site preparation (demolition, invasive species removal, and environmental remediation as needed); removal and/or placement of in-water structures, rip-rap, bulkhead, and riparian habitat features; physical installation or construction of launches, docks, overlooks, promenades, pathways, and parking; site grading, soil placement, berm and boulder placement for natural seating, installation of native plant material for shoreline and in-water; and placement or construction of paddlecraft and/or bicycle storage, benches, amenities, interpretive/wayfinding signage, and beacons.

Results: The project will facilitate improvements at existing water access points as well as the creation of new access points; activate the Blueway as a connector and catalyst of New York State tourism; and help brand Buffalo as a waterfront city. The success of the Blueway will incentivize development at additional waterfront locations throughout the Lake Erie, Buffalo River, and Niagara River waterfronts, and enhance recreation opportunities and private investment for amenities.

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: Ms. Jill Jedlicka, Executive Director and Waterkeeper
721 Main Street
Buffalo, NY 14203
Phone: (716) 852-7483 ext. 21
E-mail: jedlicka@bnwaterkeeper.org

ESD Project No.: AB981

Project Team:	Origination	Amanda Mays
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Kathleen Uckert
	Design & Construction	Dennis Conroy
	Environmental	Paul Tronolone

C. Financial Terms and Conditions

1. Upon execution of the Grant Disbursement Agreement Amendment to incorporate the additional Phase II funding, the Grantee shall pay a commitment fee of 1% of the Capital Grant (\$75,443 for an aggregate commitment fee of \$100,000), 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. Up to \$10,000,000 (Phase I and Phase II funding) will be disbursed in three installments as follows:
 - a. An Initial Advance of \$2,455,633 (Phase I) upon execution of a Grant Disbursement Agreement and such other documentation as ESD may reasonably require.
 - b. A Second Advance of \$3,772,184 (Phase II) upon execution of a Grant Disbursement Agreement Amendment; documentation of eligible expenditures, verified by a third-party Certified Public Accountant, of at least 50% (\$1,227,817) of the Initial Advance; and such other documentation as ESD may reasonably require, and compliance with Annual Reporting.
 - c. A Final Advance of \$3,772,183 (Phase II) upon documentation of eligible expenses, verified by a third-party Certified Public Accountant, of 100% of the Initial Advance and 75% of the Second Advance (\$4,670,863 cumulative), and compliance with Annual Reporting.

Any funds not utilized for project costs within 24 months of the final disbursement must be returned to ESD.

Within 24 months of the Final Advance, ESD will require documentation of 100% of eligible project costs verified by a third-party Certified Public Accountant (aggregate total of \$10 million or the amount not returned to ESD).

In addition, the Grantee will report to ESD annually on December 31 starting in 2018 through 2024 the following information:

- Social media app usage data and metrics of Blueway website traffic;

- Buffalo Niagara Waterkeeper social media traffic impressions regarding Blueway use, media stories, etc.;
- Annual photographic documentation of the condition of the sites
- Annual anecdotal field observations of recreational activity on waterways with Blueway access sites;
- Summary of additional leverage generated from future funders, private investment, or nearby private development; and
- Summary of any expansion or enhancement of Blueway sites, branding/marketing, from land owners or site operators.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2023. Expenditures incurred prior to December 1, 2017 are not eligible project costs and cannot be reimbursed by grant funds.

Grantee shall demonstrate compliance with protocols recommended by Guidepost Solutions which include the following:

- a. Grantee shall be required to demonstrate to ESD's satisfaction, that project costs to be paid for by ESD grant funds are incurred in arms-length transactions;
 - b. Grantee shall be required to procure materials, contractors and services to be paid for with ESD grant funds in accordance with a competitive procurement process approved by ESD;
 - c. Grantee shall be required to submit standard AIA documentation and other appropriate documentation supporting construction related costs that are to be paid by ESD grant funds;
 - d. Grantee shall be required for each payment to submit a certification confirming the lack of bribery, collusion and the fair price of invoices submitted.
 - e. Grantee shall be required to submit additional documentation verifying project expenses as may be required by ESD.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$7,544,367, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Buffalo Regional Innovation Cluster

The funding was authorized in the 2017-2018 New York State budget and 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.

V. Design and Construction

Submission of Payment Requisitions to ESD will be made according to the design and

construction disbursement terms outlined in the Grant Disbursement Agreement Amendment. ESD reserves the right to inspect the project site to insure compliance of these terms and monitor project progress.

VI. Environmental Review

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the eligible categories totaling approximately \$6,650,000. As such, the goal MWBE utilization shall be no less than \$1,995,000.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the eligible categories totaling approximately \$6,650,000. As such, the goal MWBE utilization shall be no less than \$1,995,000.

VIII. Smart Growth Public Infrastructure Review

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

IX. ESD Employment Enforcement Policy

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

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

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

XI. Additional Submissions to Directors

Resolutions

New York State Map

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Buffalo Niagara Waterkeeper a grant for a total amount not to exceed Seven Million Five Hundred Forty Four Thousand Three Hundred Sixty Seven Dollars (\$7,544,367) from the Buffalo Regional Innovation Cluster, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

April 19, 2018

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

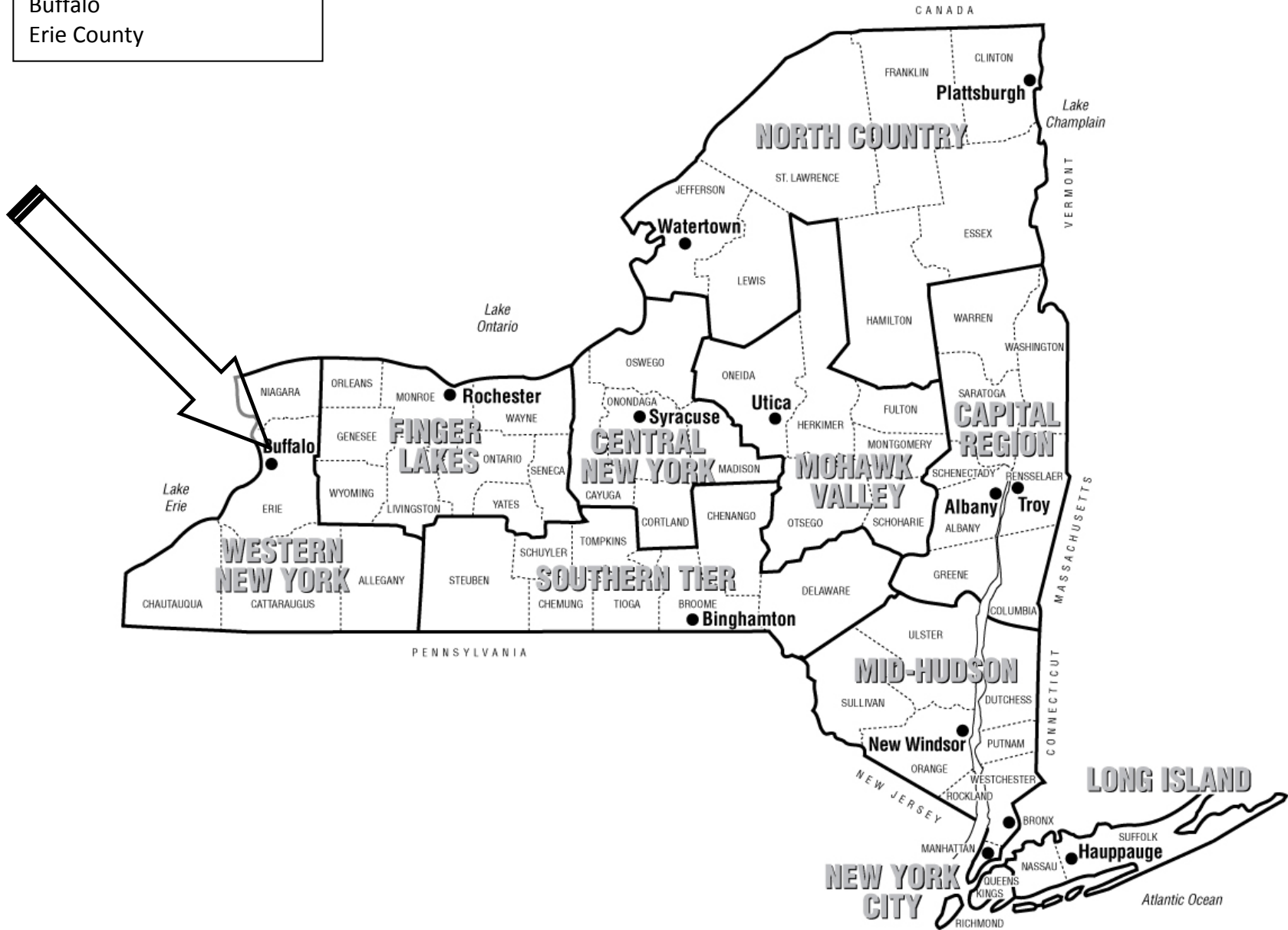
RESOLVED, that based on the material submitted to the Directors with respect to the Buffalo Blueway Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Buffalo Blueway Capital

Buffalo

Erie County



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Lackawanna (Western New York Region – Erie County) – City of Lackawanna Smart Growth Capital – Buffalo Regional Innovation Cluster (Capital Grant)

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

General Project Plan

I. Project Summary

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

ESD* Investment: A grant of up to \$2,061,242 to be used for design and construction costs to complete smart growth projects

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

Project Locations: Pedestrian and Streetscape Improvements:
Intersection of Ridge Road/Electric Avenue, Lackawanna; and
Intersection of Ridge Road/South Park Avenue, Lackawanna

Botanical Gardens-Basilica Connector Trail:
Between Ridge Road and Nasson Parkway, Lackawanna

Placemaking Projects:
Memorial Field Park, Ridge Road, Lackawanna

Proposed Project: Planning, design and construction of streetscape and placemaking enhancements that will improve the pedestrian experience and increase recreational amenities within the Central Business District

Project Type: Downtown Revitalization

Regional Council: The project is consistent with the Western New York (“WNY”) Regional Economic Development Council’s Plan as it promotes smart growth and attracting young people to the WNY Region.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
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Pedestrian and Streetscape Improvements:

Materials/Construction	<u>\$922,000</u>
Sub-Total Project Costs	<u>\$922,000</u>

Botanical Gardens-Basilica Connector Trail:

Materials/Construction	<u>\$751,742</u>
Sub-Total Project Costs	<u>\$751,742</u>

Placemaking Projects:

Design	<u>\$100,000</u>
Construction	<u>287,500</u>
Sub-Total Project Costs	<u>\$387,500</u>

Grant-Total Project Costs	<u>\$2,061,242</u>
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<u>Financing Source</u>	<u>Amount</u>	<u>Percent</u>
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ESD - Grant	<u>\$2,061,242</u>	<u>100%</u>
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Total Project Financing	<u>\$2,061,242</u>	<u>100%</u>
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III. Project Description

A. Grantee

Industry: Municipality

Grantee History: Lackawanna was formed in 1909 when residents of the area known as West Seneca voted to split off and form the City, adjacent to the Lackawanna Steel Company which began operations in 1903. It is located south of the City of Buffalo and its western boundary includes the Lake Erie waterfront on the former Lackawanna (later Bethlehem) Steel facility site. Lackawanna was a center of steel manufacturing throughout most of the 20th century and at one time, the Bethlehem Steel plant was the largest in the world, employing 20,000 people at its peak. The City grew with the success of the plant, and declined in the latter half of the 20th century as the plant’s business declined and ultimately closed.

Ownership: Municipality

Size: The City is 6.6 square miles in area, has a population of approximately 18,141 residents.

ESD Involvement: 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, or “BB2”, to continue building on the renewed economic engines and reinvigorated civic spirit throughout Buffalo and the entire Western New York region. While the original Buffalo Billion program created a dramatic shift in the direction of the region's economy, BB2 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 the Smart Growth Community Fund, a \$20 million initiative in Phase II. The funding follows the same vision and goals of the statewide Downtown Revitalization Initiative (“DRI”): reviving traditional main streets and commercial corridors by preserving historic buildings and fostering mixed-use private investment; redeveloping former industrial lands; encouraging walkability and increasing access to waterfronts and green space. From the nine applicants from Western New York who were not chosen for the \$10 million statewide DRI award, four municipalities – including Lackawanna – were selected to receive \$2.5 million each from the Smart Growth Community Fund, for projects to revitalize its downtown areas using smart growth principles. Project plans were part of its DRI application and initiatives designated by the City as those it would prioritize out of the application as ready for development and highest priority.

This request is for approval of an initial phase of placemaking projects in Lackawanna totaling \$2,061,242 that are ready to move forward and begin construction in 2018. The City is conducting due diligence to determine a location for additional placemaking projects, including a mixed-use property that would provide housing and commercial amenities within downtown. Once a location has been identified and the City is ready to move forward, ESD Directors would be asked to consider approval of the balance of the identified Smart Growth Community fund grant.

Competition: N/A

Past ESD Support: The City has not received any funding from ESD in the past five years.

B. The Project

Completion: December 2019

Activity: The project involves pedestrian and streetscape improvements at two high-volume intersections in the Central Business District; creation of a pedestrian trail to link two cultural assets, the Buffalo and Erie County Botanical Gardens and Our Lady of Victory Basilica, in downtown Lackawanna; and design and construction of placemaking projects adjacent to Memorial Park.

Results: The project will enhance the pedestrian experience and create a better identity for the City's downtown area. It will strengthen the connection between the two cultural assets located within and adjacent to downtown Lackawanna, and provide increased recreational amenities for visitors and residents.

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. Drew Shapiro, Director of Development
714 Ridge Road, Room 311
Lackawanna, NY 14218
Phone: (716) 827-6421
E-mail: development@lackny.com

ESD Project No.: AC450

Project Team:	Origination	Amanda Mays
	Project Management	Cheryl Krazmien
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Kathleen Uckert
	Design & Construction	Dennis Conroy
	Environmental	Paul Tronolone

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$2,061,242 capital grant (\$20,612) 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. Up to \$2,061,242 will be deposited into an account (“the Imprest Account”) upon receipt of the executed grant disbursement agreement at a bank mutually acceptable to ESD and the Grantee (as set forth in writing by ESD). Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD’s Investment Guidelines. Interest earned on the funds deposited in the Imprest Account must be returned to ESD quarterly along with copies of all bank statements, starting when the funds are deposited and continuing until all funds have been disbursed.

The Grantee may, no more frequently than monthly, seek authorization to release funds from the Imprest Account to pay for invoices due and payable for design and construction costs in compliance with ESD Design and Construction Requirements, assuming all project approvals have been completed and funds are available. Each subsequent payment requisition will include the current month’s invoices and proof of payment for invoices submitted for the previous month. 10% of the grant will be retained until documentation supporting project completion has been received by ESD.

ESD may disburse up to \$2,061,242 with the following limits, unless otherwise approved by ESD: up to \$922,000 for Ridge Road intersection improvements; up to \$751,742 for the Basilica-Botanical Gardens connector trail; and up to \$387,500 for placemaking projects at Memorial Field Park. Any unused funding from the projects can be used for additional placemaking projects to be approved by ESD.

Any funds not utilized for project costs within 24 months of disbursement must be returned to ESD. Within 24 months of disbursement, ESD will require documentation of 100% of eligible project costs.

Expenditures incurred prior to October 4, 2017 are not eligible project costs and cannot be reimbursed by grant funds.

Grantee shall demonstrate compliance with protocols recommended by Guidepost Solutions which include the following:

- a. Grantee shall be required to demonstrate to ESD’s satisfaction, that project costs to be paid for by ESD grant funds are incurred in arms-length transactions;
- b. Grantee shall be required to procure materials, contractors and services to be paid for with ESD grant funds in accordance with a competitive procurement process approved by ESD;
- c. Grantee shall be required to submit standard AIA documentation and other appropriate documentation supporting construction related costs that are to be paid by ESD grant funds;
- d. Grantee shall be required for each payment to submit a certification confirming the lack of bribery, collusion and the fair price of invoices submitted.
- e. Grantee shall be required to submit additional documentation verifying project

expenses as may be required by ESD.

The Grant is being offered in connection with the project as described in the City's 2017 DRI application and funds will only be made available for projects that are undertaken as described in the DRI application, except as expressly authorized by ESD.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,061,242, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Buffalo Regional Innovation Cluster Fund

The funding was authorized in the 2017-2018 and 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.

V. Design and 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, as lead agency, has completed an environmental review of the City of Lackawanna Smart Growth Capital Project, pursuant to the requirements of SEQRA and the implementing regulations of the New York State Department of Environmental Conservation. This review found that the proposed project to be a Type I Action that would not result in significant adverse impacts on the environment. Therefore, ESD staff recommends that the Directors make a Determination of No Significant Effect on the Environment.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to 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.

VIII. Smart Growth Public Infrastructure Review

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

IX. ESD Employment Enforcement Policy

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

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

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

XI. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Project Photographs

Lackawanna (Western New York Region – Erie County) – City of Lackawanna Smart Growth 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 City of Lackawanna Smart Growth Capital – Buffalo Regional Innovation Cluster (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to City of Lackawanna a grant for a total amount not to exceed Two Million Sixty One Thousand Two Hundred Forty Two Dollars (\$2,061,242) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

April 19, 2018

Lackawanna (Western New York Region – Erie County) – City of Lackawanna Smart Growth Capital – Buffalo Regional Innovation Cluster (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the City of Lackawanna Smart Growth Capital and Working Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

City of Lackawanna Smart Growth Capital

Lackawanna

Erie County

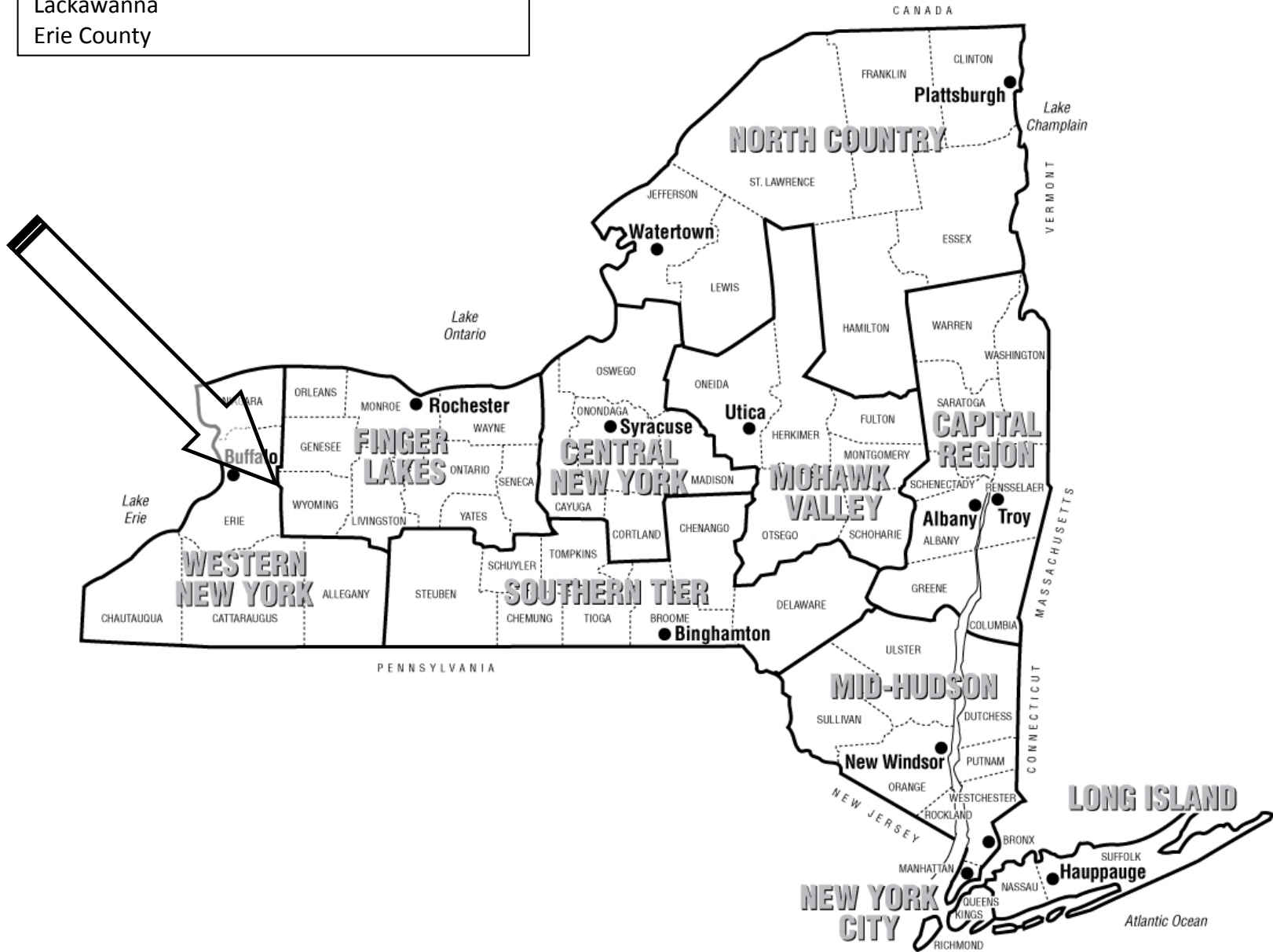
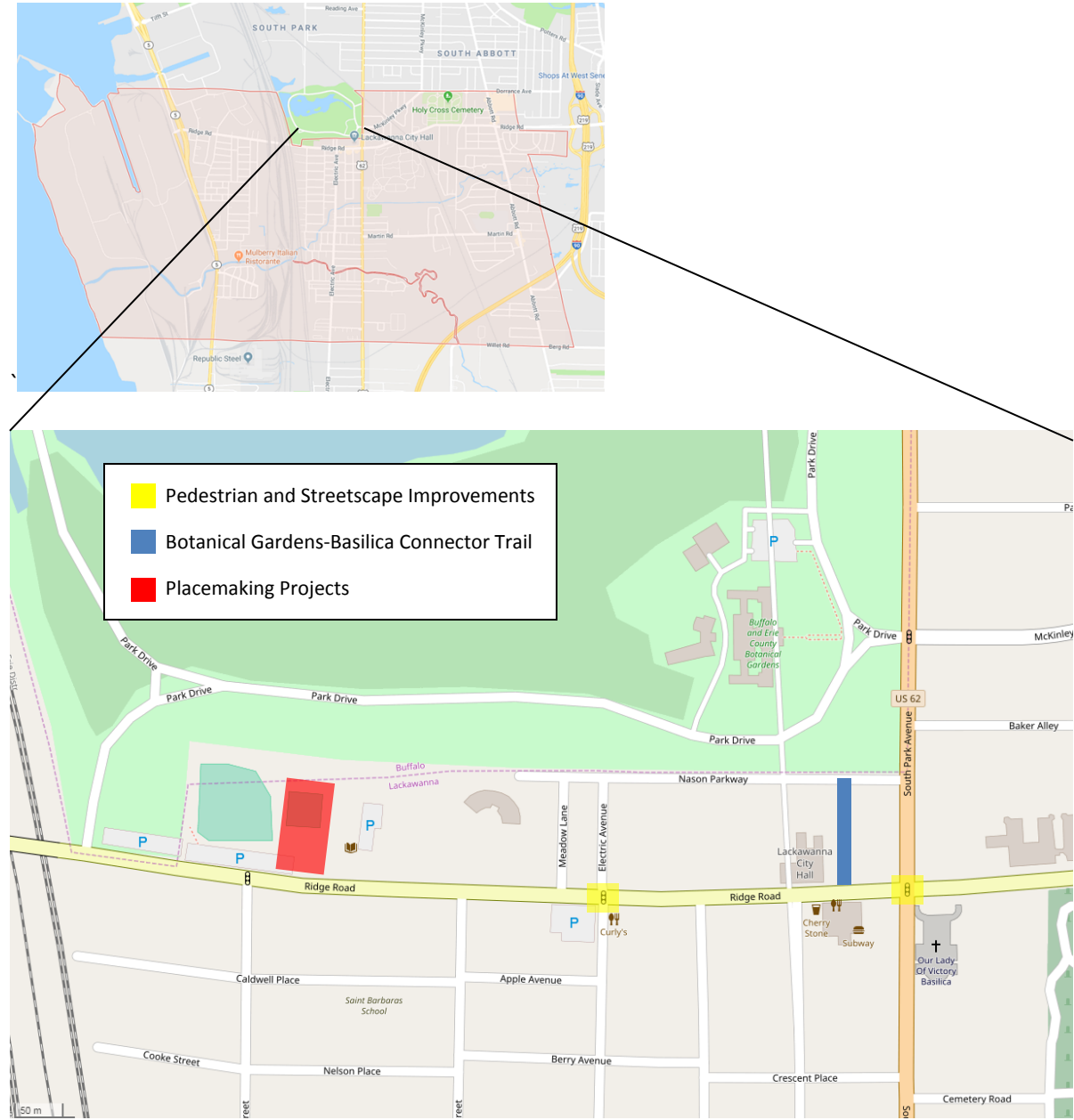


Figure 1: Map of Project Locations



**Figure 2: Existing Intersection Conditions
Ridge Road and Electric Avenue**



Ridge Road and South Park Avenue



Figure 3: Existing Botanical Gardens walkway



Figure 4: 2015 Conceptual Rendering for Botanical Gardens-Basilica Connector Trail



Attachment 8.4

In 2016, the City of Lackawanna worked with LaBella Associates to develop conceptual images to illustrate the types of placemaking components that could be part of guiding discussions for the City's update to their Comprehensive Plan. These concepts would be further developed/refined during the design of the Project.

Figure 5: Existing Conditions at Memorial Field Park



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Jamestown (Western New York Region – Chautauqua County) –
National Comedy Center Electronic Video Screens Capital – New York
Works Economic Development 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: National Comedy Center, Inc. (the “NCC”)

ESD* Investment: A grant of up to \$375,000 to be used for the purchase and installation
of two exterior video screens

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

Project Location: 203, 211-217 West Second Street, Jamestown, Chautauqua County

Proposed Project: Purchase and installation of two exterior electronic video screens for
recreational, informational and promotional purposes.

Project Type: Tourist Attraction

Regional Council: The project is consistent with the Western New York (“WNY”) Regional
Economic Development Council’s (“REDC”) Plan as it promotes tourism,
recreation, smart growth, and educational programming, and encourages
future investment in a city core.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Equipment Acquisition and Installation	<u>\$471,509</u>	
Total Project Costs	<u>\$471,509</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$375,000	80%
Grantee Equity	<u>96,509</u>	<u>20%</u>
Total Project Financing	<u>\$471,509</u>	100%

III. Project Description

A. Grantee

Industry: The NCC is a cultural institution and visitor experience dedicated to comedy, featuring interactive exhibitions; educational programming; concerts; shows; and festivals, including the annual 4-day Lucy Fest, in the hometown of American comedian, actress and film studio executive, Lucille Ball (1911-1989).

Company History: The NCC was established in 1996 for the purpose of utilizing a portion of the late Lucille Ball's estate to establish the Lucy-Desi Museum (the "Museum") in a small Jamestown storefront fulfilling Lucille Ball's wish to establish a public place to celebrate comedy. The Museum, which was dedicated to her and her late husband and co-star in the 1950's sitcom "I Love Lucy" (the "Sitcom"), Desi Arnaz (1917-1986), was renamed the Lucy Desi Center for Comedy (the "LDCC"), and expanded to house the extensive exhibits of the Museum; a retail component; and Desilu Studios consisting of Sitcom original props, costumes, memorabilia, and stage re-creations including Lucy and Ricky Ricardo's New York City apartment.

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

Size: NCC has 8 full-time equivalent employees.

Market: NCC primarily serves as a tourist attraction with current annual attendance of 19,300, of which 94% of the visitors travel from outside Chautauqua County.

ESD Involvement: In order to support the final preparations for the opening of the NCC

currently under construction in August 2018 and assist with a potential shortage of capital for the project, ESD will provide a \$375,000 capital grant toward the purchase and installation of two electronic exterior screens. In addition to being used for recreation, promotion of events and information pertaining to the NCC, the sign will be made available for public service announcements, and for private advertising with fees charged being used help meet NCC operating costs.

Competition: N/A

Past ESD Support: Funding for the past five years, totaling \$8,859,000 to the Grantee, is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund – RC4	Z705	\$1,500,000	April 17, 2017	December 31, 2025	Capital Grant – Furniture, Fixtures and Equipment
Regional Council Capital Fund – RC5	AA507	\$1,000,000	April 17, 2017	December 31, 2025	Capital Grant – Furniture, Fixtures and Equipment
Regional Council Capital Fund – RC6	AB474	\$600,000	April 17, 2017	December 31, 2025	Capital Grant – Furniture, Fixtures and Equipment
Market NY RC5 – DED Local Cash	AA651	\$525,000	July 21, 2016	December 31, 2020	Working capital – Implement a Marketing Program
Market NY – RC6-ESD Capital Approp	AB512	\$234,000	January 23, 2017	December 31, 2020	Capital Grant – Furniture, Fixtures and Equipment
Buffalo Regional Innovation Clust 17-18	AB964	\$5,000,000	April 17, 2017	December 31, 2025	Capital Grant – Construction/Renovation

B. The Project

Completion: July 2018

Activity: The project will involve the purchase and installation of two 28.4-foot by 12.6-foot outdoor Curved-Access LED electronic screens necessary to adequately inform the public and promote and announce current and future events at the NCC. The screen is also intended to provide a venue for recreation and for public service announcements.

Results: The project will provide a vehicle for the promotion of a world-class, year-round, nationally-unique comedy center which will feature a year-round attraction and calendar of live programming celebrating the comedic art form, including exhibits on, and appearances by, artists such as Jerry Seinfeld and Dan Aykroyd; celebrations of comedy's influencers like George Carlin and Harold Ramis; and education on contributors from the Marx Brothers to today's most innovative voices. These screens will play a significant role in helping the NCC attract over 122,000 projected visitors annually. These patrons will result in an estimated \$23 million in local tourism revenues; allow for the adaptive reuse of the underutilized public utility building and partially vacant Train Station; promotes smart growth; create 25 to 30 jobs which are accessible to Jamestown residents via public transportation; and promotes education by tapping students from local colleges and universities for internships.

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: Ms. Journey Gunderson, Executive Director
2 West Third Street
Jamestown, New York 14701
Phone: (716) 484-0800

ESD Project No.: AC854

Project Team:	Origination	Diego Sirianni
	Project Management	Cheryl Krazmien
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$375,000 capital grant (\$3,750) 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 April 20, 2017. 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. Grants received from various local private foundations may count toward satisfying the equity requirement.
4. Upon receipt of the executed Grant Disbursement Agreement, ESD shall deposit \$375,000 in an Imprest Account at a bank mutually acceptable to ESD (as set forth in writing by ESD). Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements and reports in accordance with the reporting requirement. All accrued interest on the Imprest Account shall be returned to ESD on a quarterly basis.

The Grantee may, no more frequently than monthly, unless approved by ESD, seek authorization to release funds, on a pro-rata basis, from the Imprest Account to pay for invoices due and payable for equipment acquisition and installation, assuming all project approvals have been completed and funds are available. Each subsequent payment requisition will include the current month's invoices and proof of payment for invoices submitted for the previous month. Project costs cannot be submitted through other ESD grants for reimbursement.

Proof of payment for a cumulative amount of \$471,509 will be required within 60 days of the final release of funds from the Imprest Account.

Disbursement requires compliance with program requirements and must be requested by no later than April 1, 2020. Expenditures must be incurred on or after April 20, 2017. Expenditures incurred prior to January 17, 2018 cannot be reimbursed by grant funds.

The Grantee will report to ESD annually on May 1 starting May 2019 for five years, the following performance measures:

1. Number of patrons at the NCC, shows, and number of events at the Center and other locations.
2. Number of NCC performances and number of other events at the NCC and other locations.
3. The NCC employee count (part time and full time).
4. Number and minutes of the following types of programming:
 - Public (e.g. Public Service Announcements)
 - Private (e.g. Advertisements)
 - Self-Promotion (e.g. National Comedy Center Programming)
 - Recreational Activities
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$375,000, 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 – NY Works Program

The funding was authorized in the 2017-2018 New York State budget and 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.

V. Environmental Review

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of January 23, 2017. This determination addressed all aspects of the project. Therefore, no further environmental review is required in connection with this action.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (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 Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Project Photographs

April 19, 2018

Jamestown (Western New York Region – Chautauqua County) – National Comedy Center Electronic Video Screens Capital – New York Works Economic Development 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 National Comedy Center Electronic Video Screens Capital – New York Works Economic Development Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to National Comedy Center, Inc. a grant for a total amount not to exceed Three Hundred Seventy-Five Thousand Dollars (\$375,000) 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 of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

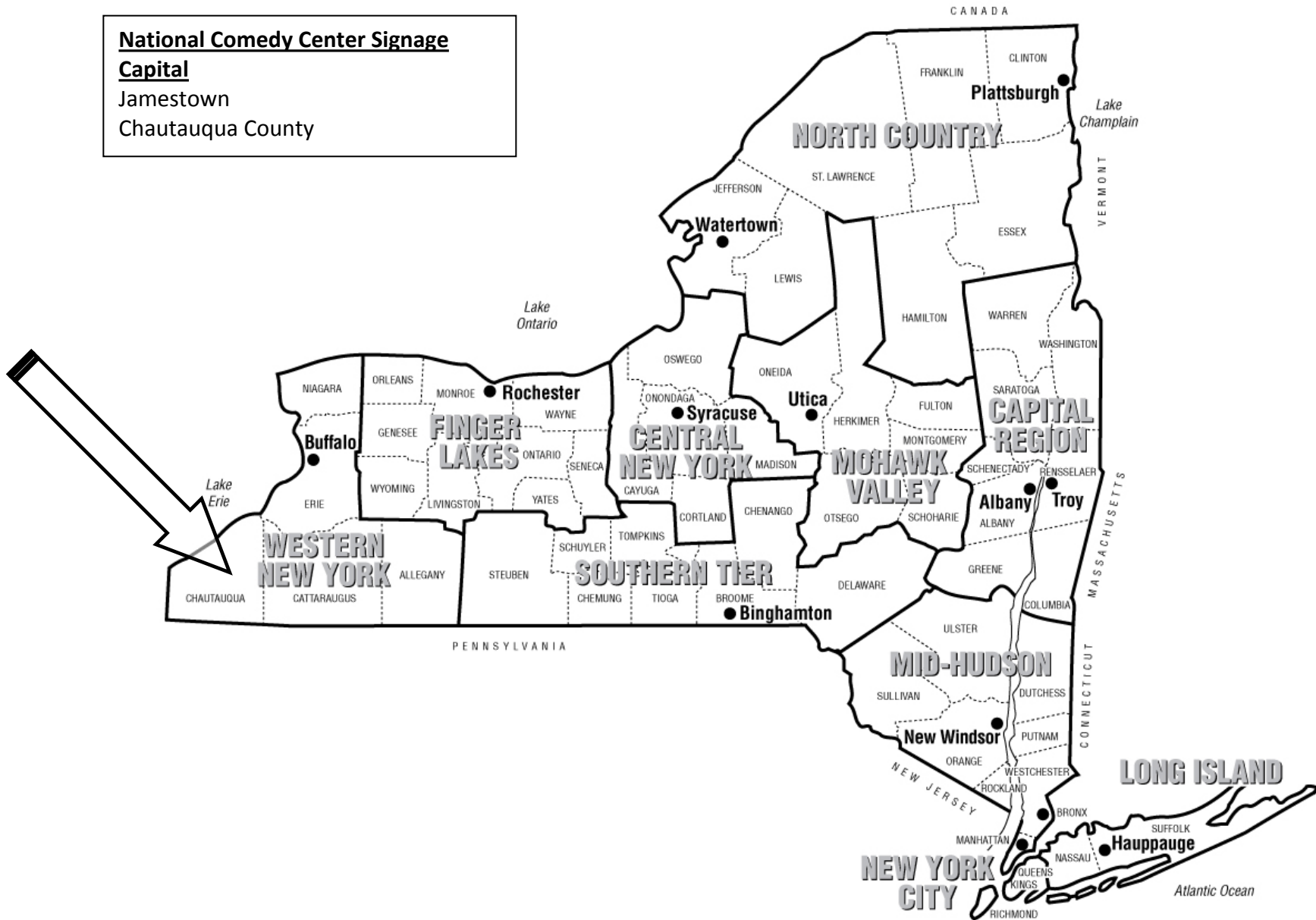
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National Comedy Center Signage

Capital

Jamestown

Chautauqua County



National Comedy Center Signage Capital, AC854



**NATIONAL
COMEDY
CENTER**

FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Buffalo (Western New York Region – Erie County) – Workforce Development Challenge Working Capital – Buffalo Regional Innovation Cluster (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: Community Foundation for Greater Buffalo, Inc. (“Community Foundation”)

ESD* Investment: A grant of up to \$10,000,000 to be used for the administration/execution of the Workforce Development Challenge Fund (the “Fund”)

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

Project Locations: To be identified throughout the Western New York Region

Purpose: Establishment of the Workforce Development Challenge Fund to provide funding for not-for-profit organizations in Western New York to support programs/efforts in providing workforce development services in key sectors.

Project Type: Workforce Development

Regional Council: The Western New York Regional Economic Development Council has been made aware of this item. Establishment of the Fund would be consistent with the Regional Plan as it implements workforce development in the region’s target industry sectors of advanced manufacturing, health/life sciences, tourism, energy, and agriculture.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Workforce Development Challenge Fund	\$9,700,000
Administrative Fee Paid to Grantee (3%)	<u>300,000</u>

Total Project Costs \$10,000,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$10,000,000</u>	<u>100%</u>
Total Project Financing	<u>\$10,000,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Public Charity

Grantee History: Established in 1919, the Community Foundation for Greater Buffalo is a public charity that manages more than 800 different charitable funds, large and small, established by individuals, families, not-for-profit organizations and businesses to benefit Western New York. The Community Foundation helps donors direct gifts to support specific organizations, issues, and needs within the community. It also acts as a community leader and convener to address specific pressing needs in the region. Its efforts have resulted in significant improvements in childhood literacy rates, implementation of a regional agenda for the environment, the elimination of lead poisoning risks for hundreds of at-risk children, and the creation of a funding collaborative dedicated to strengthening the mid-sized arts and cultural organizations that anchor the community.

Ownership: The Grantee is a not-for-profit public charity. It is accredited with National Standards for U.S. Community Foundations.

Size: The Community Foundation has 28 staff members and a 21-member Board of Directors, in addition to two ex-officio directors.

ESD Involvement: A recent employer survey indicated the majority of companies in the Buffalo-Niagara region report a number of hard-to-fill jobs or hard-to-find skills, suggesting the supply of labor could be better matched to industry needs. Jobs that are difficult to fill today and skills that are difficult for employers to find will be compounded as industries grow. Many industry sectors in the region experienced double digit job growth over the past five years, and over the next five will be expecting to fill thousands of jobs

across the region annually. WNY also faces a looming retirement cliff that will impact the labor supply with one in five of all jobs impacted in the next 10 years by retirements.

While there has been an increase in the number of working age residents of the region, its labor participation rate is down. Among adults of prime working age (16 to 64), workforce participation rates are lowest for adults with the most limited levels of education, especially in minority populations. Cultivating skill levels and credentials for these working age adults in fields and occupations that are in high demand presents one of the region’s greatest and most pressing workforce development opportunities.

With the announcement of the Governor’s Buffalo Billion Phase II initiative in 2017, \$10 million was allocated towards the establishment of the Fund that would promote and invest in innovative approaches to workforce training for underserved populations throughout Western New York. A large number of workforce trainers currently exist across the five counties, many of which are not-for-profit or community-based organizations. They are often constrained by limited funding, operating over or at capacity, and having only limited support services that alleviate barriers to training. The Fund will enable those organizations that have proven track records in results-oriented workforce training to remain responsive to industry and innovation. Additionally, the Fund will ensure that as the region’s industries evolve, its residents will have access to the right training and opportunities for employment.

Past ESD Support: Funding for the past five years, totaling \$2,000,000, to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Buffalo Regional Innovation Cluster	AC244	\$2,000,000	December 21, 2017	December 31, 2025	Capital/Working Capital to assist families with renovations and upgrades

B. The Project

Completion: December 2023

Activity: The Fund will catalyze creative approaches to workforce development for long-term impact in the region’s target industry sectors – advanced manufacturing, health and life sciences, tourism, energy, and agriculture.

Not-for-profit organizations would be able to apply for funding to provide training for populations that are out of the labor force, unemployed, underemployed, or employed workers looking to up-skill for career advancement opportunities. Training initiatives that receive grants through the Fund would involve new programs and expansions of existing programs that are flexible and responsive to industry, innovation and ingenuity.

The Community Foundation will be responsible for application in-take, facilitation of applicants' questions on the Fund/program, application processing, and financial administration of the grants awarded under the Fund. Grant applications would be reviewed on a competitive basis through a review committee set up by ESD. Grants would be awarded in amounts of at least \$250,000 and will typically be provided for 12-month periods to coincide with the typical duration of training programs offered by community-based trainers.

It is anticipated that most grant awards under the Fund would cover non-capital costs of labor, marketing, administration associated with establishing a new and/or expanding an existing workforce training program. Nevertheless, funding of capital costs (e.g., purchase/ installation of training equipment; building and/or fitting out of existing space in which to conduct training activities, etc.) is permitted under the fund, but could require subsequent additional public reviews/approvals (see Section C. Financial Term and Conditions).

Results:

The Fund will support target industry sectors ripe for growth by expanding the workforce pipeline. It will prepare unemployed and underemployed populations for high-demand, higher paying jobs with career advancement potential; create career ladder opportunities for entry-level and mid-skill workers; increase the capacity of grassroots, community-based organizations with proven track records in results-oriented workforce training; and invest in innovative approaches to workforce training to better serve industry needs and best practice models that maximize collaboration between industry, employers and workforce trainers. The Fund will help to ensure that all workers of all skill levels, socioeconomic groups and geographies have opportunities to participate and progress in the labor force.

Economic Growth

Investment Project:

No Benefit-Cost Analysis ("BCA") is required since this effort would generate long-term benefits not captured in the short-term period used for the BCA and involves no permanent job commitments.

Grantee Contact: Ms. Jean McKeown, Vice President, Community Impact
726 Exchange Street, Suite 525
Buffalo, NY 14210
Phone: (716) 852-2857 x204
E-mail: JeanM@cgfb.org

ESD Project No.: AC792

Project Team:	Origination	Amanda Mays
	Project Management	Jean Williams
	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 \$10,000,000 will be disbursed to the Grantee in two advances as follows:
 - a. An Initial Advance of \$5,000,000 upon execution of the Grant Disbursement Agreement; ESD's approval of program materials; and such other documentation as ESD may reasonably require, assuming all project approvals have been completed and funds are available.
 - b. A Final Advance of \$5,000,000 upon documentation of eligible expenses, verified by a third-party Certified Public Accountant, of 75% of the First Advance (\$3,750,000), compliance with Reporting Requirements, and such other documentation as ESD may reasonably require.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2024. Expenditures incurred prior to date of grant acceptance are not eligible project costs and cannot be reimbursed by grant funds.

Any funds not utilized for project costs within 24 months of the final disbursement must be returned to ESD.

Within 24 months of the Final Advance, ESD will require documentation of 100% of eligible project costs verified by a third-party Certified Public Accountant (aggregate total of \$10 million or the amount not returned to ESD).

3. Grants for workforce development efforts will be made from the Fund by the Community Foundation at the approval of ESD. ESD will prescribe the scope of work for initiatives, amount to be disbursed, MWBE goals (as applicable), and reporting terms for

each grant. ESD will review agreements for grants from the Fund for their inclusion of required ESD processes prior to execution between the Community Foundation and the sub-grantees. The Community Foundation will oversee administration of the grants and collect reporting information according to ESD's terms as set forth in the Grant Disbursement Agreement. Notwithstanding anything to the contrary in the Grant Disbursement Agreement or elsewhere, under no circumstances will the Community Foundation be assessed or charged, or otherwise be required to pay, any commitment fee or other fees or expenses (including any reimbursement obligations) in connection with the Fund or the Grantee's services described herein.

4. In the event that a capital project is selected to receive a grant award through the Fund, prior to awarding such project it shall be subject to (as applicable): individual review/approval of the ESD Board of Directors, public hearing, review/approval by the Public Authorities Control Board ("PACB"), and depending on the scope of the capital project, documentation under the State Environmental Quality Review Act ("SEQRA").
5. The Grantee will report to ESD annually by June 30 starting in 2019 through June 30, 2024 the following information:
 - a. Total expenditures for each project, including additional funding generated through leveraging project funds.
 - b. Summary of expansion or enhancement of training program as a result of funding;
 - c. Impact of each project's funding through measurement of employment outcomes including, but not limited to number of participants trained before/after grant, job placement or advancement data upon completion of workforce training program, wage information for trainees prior to/after completing training program; and employment satisfaction; and
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$10,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Buffalo Regional Innovation Cluster Fund

The funding was authorized in the 2017-2018 New York State budget and re-appropriated in the 2018-2019 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 action, which would involve funding for a program involving

routine agency administration grants for activities that would not adversely affect the environment, constitutes 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 action.

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-owned 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.

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

Buffalo (Western New York Region – Erie County) – Workforce Development Challenge Working Capital – Buffalo Regional Innovation Cluster (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 Workforce Development Challenge Working Capital – Buffalo Regional Innovation Cluster (Working Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Community Foundation for Greater Buffalo a grant for a total amount not to exceed Ten Million Dollars (\$10,000,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

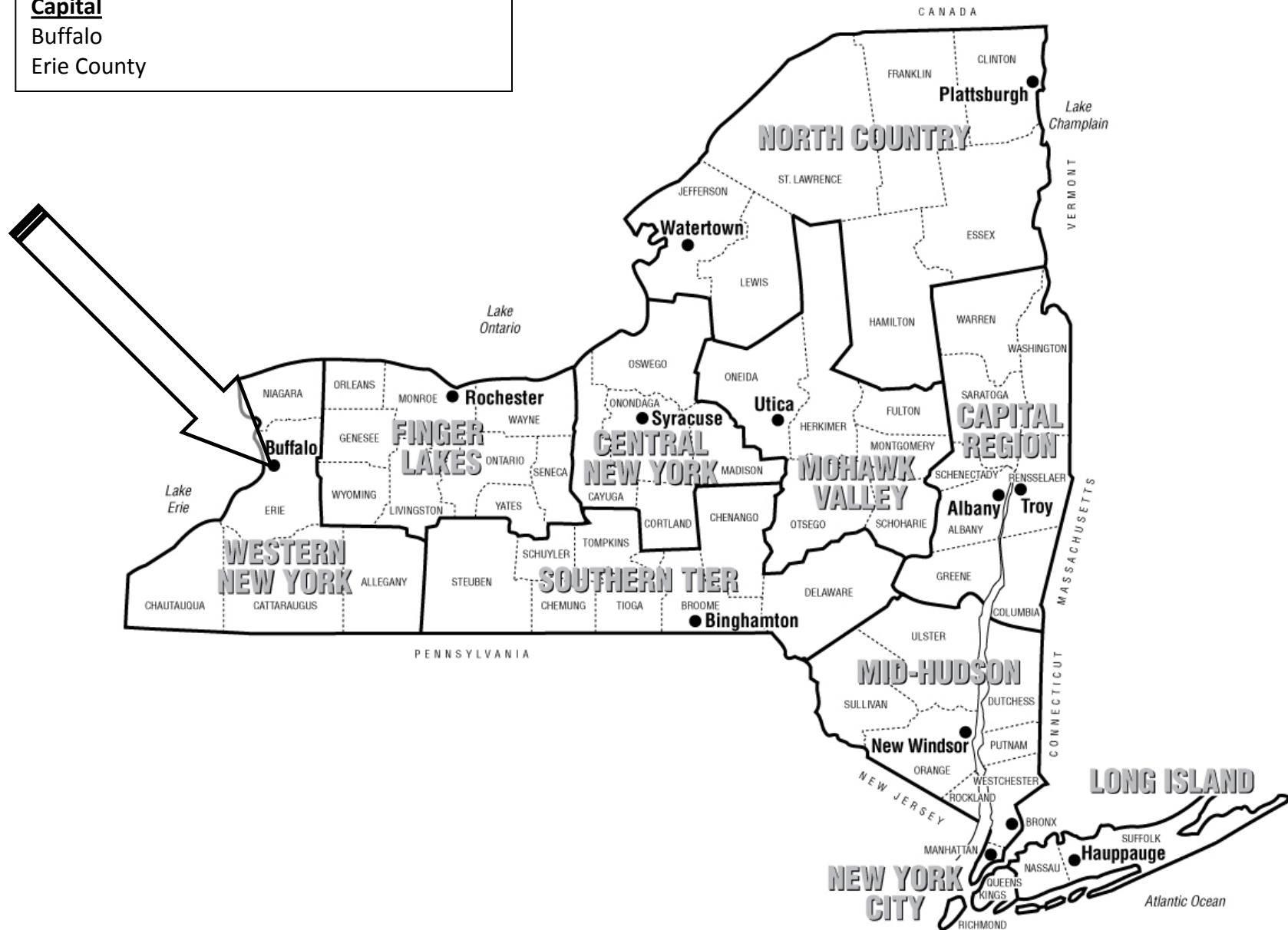
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Workforce Development Challenge Working

Capital

Buffalo

Erie County



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – New Paltz (Mid-Hudson Region – Ulster County) – The Research Foundation of SUNY New Paltz 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: The Research Foundation for the State University of New York (“RF SUNY” or the “Foundation”) on behalf of State University of New York at New Paltz (the “College” or “SUNY New Paltz”)

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

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

Project Location: 1 Hawk Drive, New Paltz, Ulster County

Proposed Project: Construction of a 19,500-square-foot facility for the permanent home of the Hudson Valley Advanced Manufacturing Center (“HVAMC” or the “Center”) at SUNY New Paltz, including purchase and installation of machinery and equipment for the Center

Project Type: Economic growth involving construction and machinery and equipment for high-tech manufacturing

Regional Council: The project is consistent with the Mid-Hudson Regional Economic Development Council’s Plan to spur technology-related research and development. This project will provide the educational infrastructure and linkage to high-tech manufacturing that will attract future thought and business leaders behind this rapidly evolving industry, which will lead to market innovation and small business development.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$3,174,759	
Machinery & Equipment	<u>1,825,241</u>	
 Total Project Costs	 <u>\$5,000,000</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD-Grant	\$1,000,000	20%
SUNY High Needs (Grant)	94,153	2%
SUNY MAM Network of Excellence (Grant)	7,500	0%
SUNY 2020 (Grant)	1,484,809	30%
Organization Equity*	<u>2,413,538</u>	<u>48%</u>
 Total Project Financing	 <u>\$5,000,000</u>	 <u>100%</u>

*Includes a \$1,580 CAT Grant through RIT

III. Project Description

A. Organization

Industry: Educational institution

Organization

History: The Research Foundation for the State University of New York is a private, 501(c)(3) not-for-profit educational corporation that administers externally funded contracts and grants for and on behalf of the State University of New York (“SUNY”). The Foundation is a separate, not-for-profit corporation, and as such is not supported by state appropriated tax dollars, nor does it receive support services provided to New York State agencies. The Foundation provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution.

SUNY New Paltz is a public, regional comprehensive college with a long history in New York's Mid-Hudson Valley. Opening its doors in 1828 as the New Paltz Classical School, it is one of the founding schools in the SUNY system.

Ownership: The Foundation is a private, not-for-profit educational corporation that administers externally funded contracts and grants for and on behalf of the SUNY. SUNY New Paltz is public college.

Size: The Foundation has over 17,000 employees statewide. SUNY New Paltz has approximately 7,068 students and 1,011 full-time employees.

Market: SUNY New Paltz is the only residential public university in the Mid-Hudson region, and is committed to providing high quality, affordable education to students from all social and economic backgrounds.

ESD Involvement: The 3D printing market outlook is promising, and through this project, SUNY New Paltz expects to generate \$19.3 million in economic activity. Even more promising are the implications for the development of new innovative businesses as a result of the investment in the region's educational infrastructure, which includes the construction and fit-out the facility. With this project, the College is seeking to create a tangible bridge between the Hudson Valley's public education institutions and new high-tech manufacturing in the region.

In August 2013, the College submitted a proposal under Round 3 of the Consolidated Funding Application ("CFA") to assist with the construction of the facility, including the purchase and installation of machinery and equipment. In April 2014, ESD made SUNY New Paltz an offer of assistance, and the College accepted shortly after. Without ESD's assistance, the project could not move forward.

Competition: N/A

Past ESD Support: SUNY New Paltz has not received funding from ESD within the past five years.

B. The Project

Completion: October 2019

Activity: The site preparation for the construction of the 19,500-square-foot facility has recently begun, and is expected to be complete in fall 2019. The purchase of machinery and equipment for the HVAMC began shortly after the ESD grant was awarded in December 2013. Although

constructing the facility was part of, and still is, in the project plan, SUNY New Paltz felt that it was possible to get the Center up-and-running with existing space. The College started in one small lab and is now housed in a 2,000-square-foot temporary facility in the Smiley Arts Building on the New Paltz campus. The College has purchased and installed four state-of-the-art 3D printers that can be used for both prototyping and preparing final use parts on top of the 35 desktop printers that are used for both internal and external projects. During that time, the College has worked with over 300 clients from New York City to Albany in a wide variety of fields, including, artists, fabrication shops, manufacturers, designers, architects, engineers, entrepreneurs and inventors. With most of these clients, the College has educated them regarding the uses of 3D printers, introducing them to the variety of processes and materials that can be used as solutions for an enormous variety of problems. In recognition of the College's ability to advance the use of 3D printing across all fields, Stratasys, the largest manufacturer of 3D printers in the world, designated the HVAMC as their world's first academic Superlab.

Results: Since launching the Center in spring 2013, the College's groundbreaking 3D printing initiative has integrated the College's strengths in engineering, computer science, technology, and the arts. The College has added state-of-the-art 3D printing equipment, created a certificate program in digital design and fabrication, forged public-private partnerships with industry leaders, garnered over \$12 million in state and private funding, and promoted collaboration among students, faculty and regional businesses on 3D design projects.

**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: Catherine Hoselton, Assistant VP for Sponsored Programs
800 Hawk Drive
New Paltz, NY 12561
Phone: 845-257-3282
E-mail: hoseltoc@newpaltz.edu

ESD Project No.: Z105

Project Team:	Origination	Monique LeGendre
	Project Management	Scott Lamkin
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,000,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$500,000) upon documentation of renovation/construction and machinery and equipment project costs totaling \$2,500,000, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 50% of the grant (\$500,000) will be disbursed upon documentation of renovation/construction and machinery and equipment project costs totaling \$5,000,000, completion of the project substantially as described in these materials as evidence by a certificate of occupancy or other documentation verifying project completion, provided Grantee is otherwise in compliance with program requirements;

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 23, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2021.

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

6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The State University of New York at New Paltz, 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 February 13, 2018. 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 Organization shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women-owned Business Enterprise (“MWBE”) Participation Goal of 30% related to the total value of ESD’s funding.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Project Photographs

April 19, 2018

Regional Council Award – New Paltz (Mid-Hudson Region – Ulster County) – The Research Foundation of SUNY New Paltz Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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

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

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

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

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

* * *

April 19, 2018

Regional Council Award – New Paltz (Mid-Hudson Region – Ulster County) – The Research Foundation of SUNY New Paltz 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 The Research Foundation of SUNY New Paltz Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

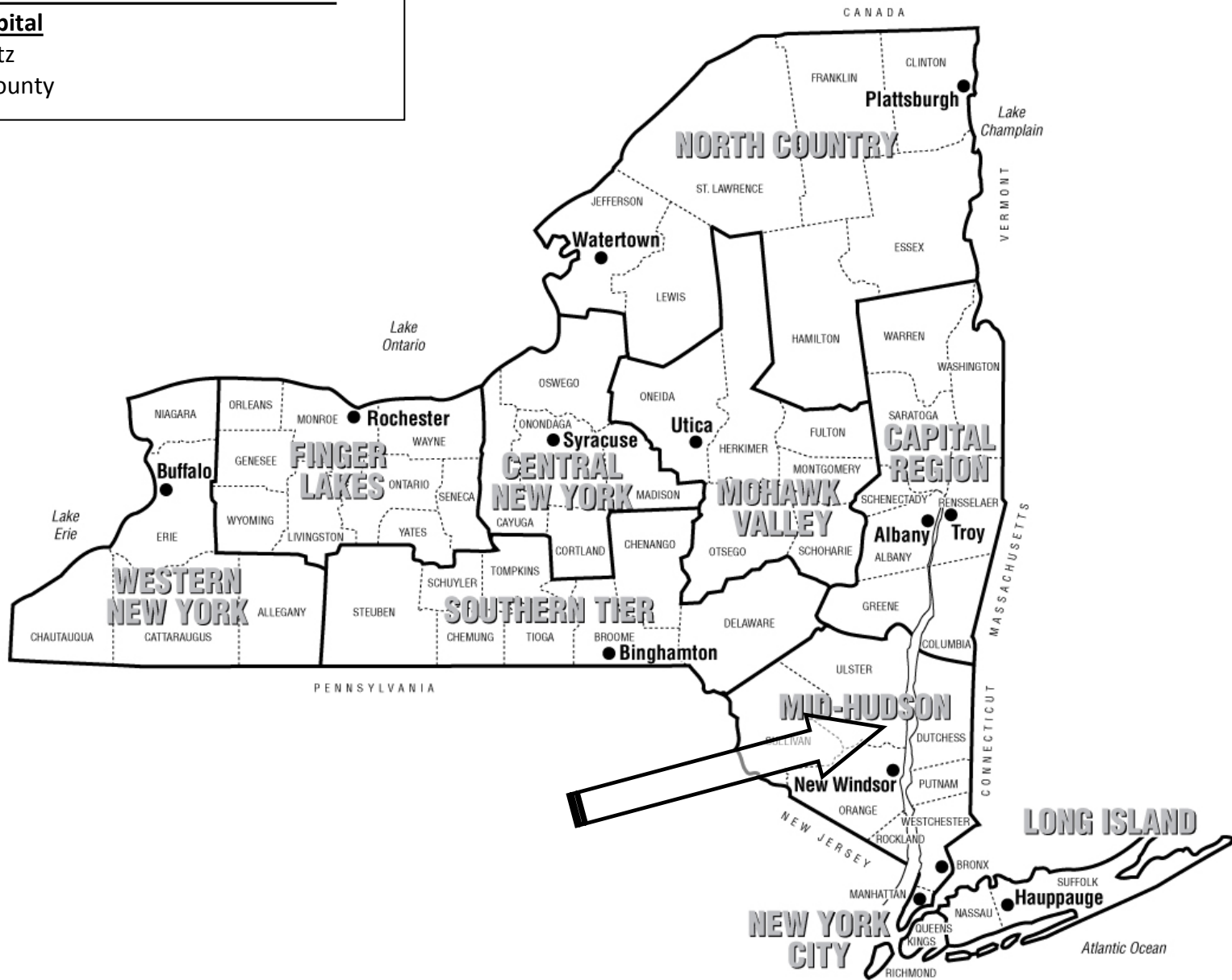
* * *

The Research Foundation of SUNY New

Paltz Capital

New Paltz

Ulster County











FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Mount Vernon (Mid-Hudson Region – Westchester County) – Sprague Operating Resources 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: Sprague Operating Resources LLC (“Sprague” or the “Company”)

ESD* Investment: A grant of up to \$500,000 to be used for a portion of the cost of contractual services related to dredging of the Eastchester Creek

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

Project Location: 40 Canal Street, Mount Vernon, Westchester County

Proposed Project: Dredging of the East Chester Creek in the City of Mount Vernon

Project Type: Infrastructure investment 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>	
Contractual Services	\$768,764	
Machinery and Equipment	175,000	
Engineering Services	<u>109,406</u>	
Total Project Costs	<u>\$1,053,170</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	47%
Company Equity	<u>553,170</u>	53%
Total Project Financing	<u>\$1,053,170</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Supplier of fuel and natural gas

Company History: Founded in 1870, Sprague is one of the largest independent suppliers of energy products and related services in the Northeast. The Company's strategically located refined products and materials-handling terminals give the Company unprecedented access to energy products and services.

Ownership: The Company is publicly traded.

Size: Sprague has 22 locations with 955 employees throughout the United States.

ESD Involvement: Dredging of the East Chester Creek up to the Sprague Mt. Vernon Terminal is essential to the continued safe operation of this critically important facility. Sprague's Mt. Vernon terminal is the sole petroleum distribution facility on the entire waterway. Further reduction in receipt capabilities due to sedimentation will add significant costs to fuel supply for commercial and residential consumers throughout the greater Westchester County area.

The Company submitted a proposal under Round 5 of the Consolidated Funding Application ("CFA") to assist with the dredging of the East Chester Creek. As a result of the Governor's Regional Economic Development Council Initiative, the Company was awarded \$500,000 through the CFA to assist with this project.

Competition: N/A

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

B. The Project

Completion: December 2017

Activity: The Company completed the dredging of the East Chester Creek in the City of Mount Vernon.

Results: Completion of the project involved dredging of barges, which can now be loaded to a draft that makes it economical to continue to operate the terminal. The project has created an enhancement that is both an economic benefit as well as a safety enhancement that improves navigation within East Chester Creek.

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: Burton Russell, Vice President of Operations
185 International Drive
Portsmouth, New Hampshire 03801
Phone: (603) 430-7274
E-mail: brussell@spragueenergy.com

ESD Project No.: AA589

Project Team:	Origination	Eric Warren
	Project Management	Arturo Rodriguez
	Contractor & Supplier Diversity	Denise Ross
	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 \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition

prior to disbursement.

3. Sprague Resources LP will guarantee the grant repayment obligation of its subsidiary, Sprague Operating Resources LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed 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.
5. Up to \$500,000 will be disbursed to Grantee in a lump sum disbursement upon documentation of project costs totaling \$1,052,757, upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 10, 2015 to be considered eligible project costs. All disbursements must be requested by April 1, 2019.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

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

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum

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

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

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

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

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

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

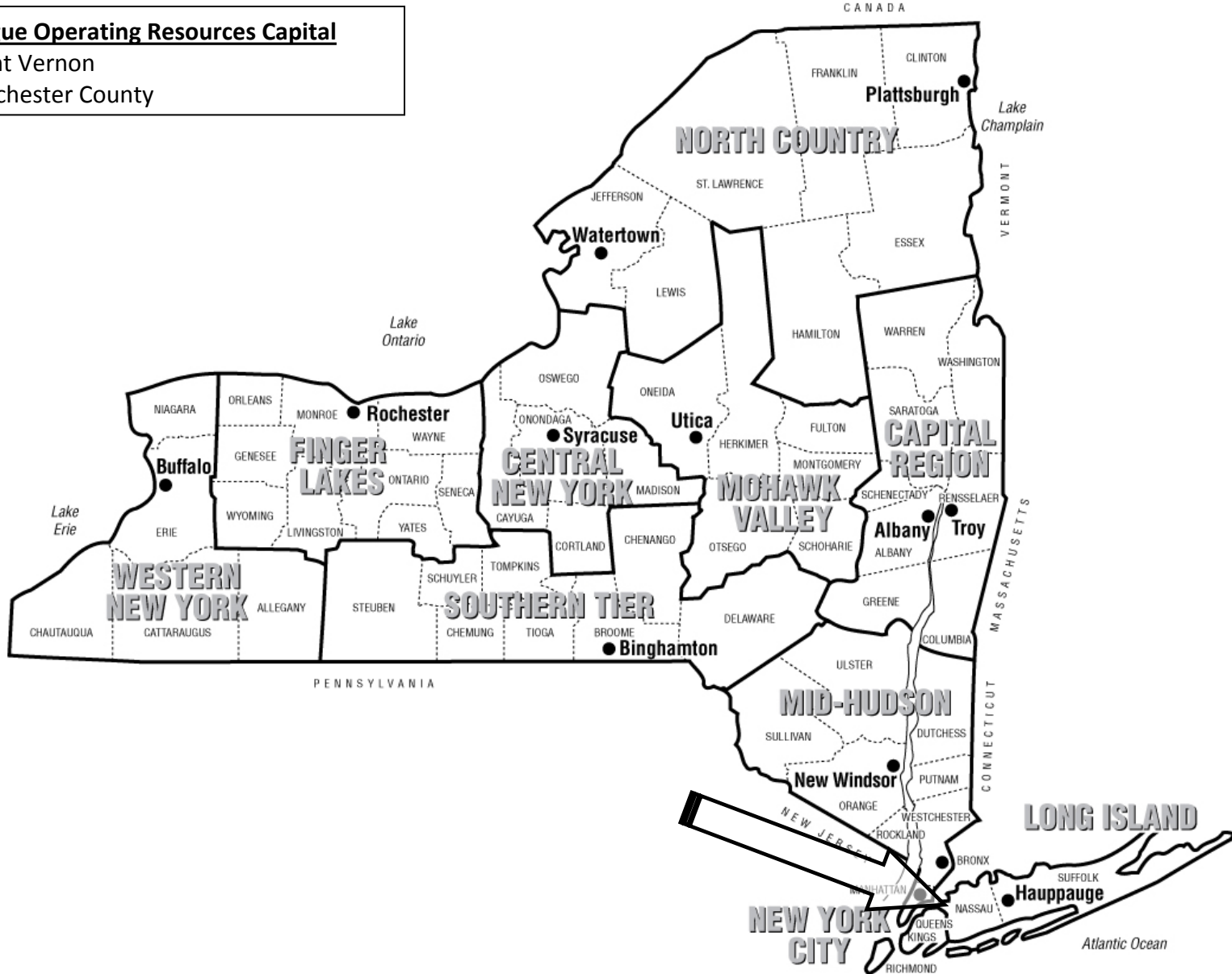
any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Sprague Operating Resources Capital

Mount Vernon

Westchester County



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Hudson (Capital Region – Columbia County) – The Wick Hotel Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: 41 Cross Street Hospitality, LLC (“41 Cross” or the “Company”)

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

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

Project Location: 41 Cross Street, Hudson, Columbia County

Proposed Project: Acquisition and renovation of a building, site work and the purchase and installation of machinery, furniture, fixtures and equipment to establish a 55-room hotel

Project Type: Acquisition and renovation of an existing building involving job creation

Regional Council: The project is consistent with the Capital Regional Economic Development Council’s (“CREDC”) Plan of bringing cities to life by investing in the urban core to restore vibrancy in neighborhoods and support the growth of the Region’s creative economy.

Employment:	Initial employment at time of ESD Incentive Proposal:	0
	Current employment level:	12
	Minimum employment on January 1, 2018:	11

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$961,790
Construction / Renovation	4,790,618
Infrastructure / Site Work	100,000
Machinery and Equipment	129,507
Furniture, Fixtures and Equipment	710,703
Other (architectural/engineering)	<u>1,107,382</u>
Total Project Costs	<u>\$7,800,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$1,500,000	19%	
Bank Financing – Pioneer Bank*	5,520,000	71%	interest only LIBOR + 2.75% until December 2018 / converts to 5/20 FHLB NY + 2.75% for yrs 1-5, resets yr 6, fixed yrs 6-10
Company Equity	<u>780,000</u>	<u>10%</u>	
Total Project Financing	<u>\$7,800,000</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: 41 Cross Street Hospitality, LLC is the owner and operator of the newly established Wick Hotel (“Hotel” or “The Wick”).

Company History: The Company was formed in December 2015 for the sole purpose of owning and operating The Wick.

Ownership: 41 Cross Street Hospitality, LLC is privately owned.

Size: All facilities are located in Hudson, NY.

Market: The Wick is the only full-service hotel operating in the City of Hudson.

ESD Involvement: The City of Hudson (“Hudson” or the “City”) is located on the Hudson River and was originally settled as a whaling and fishing community. Like many other upstate communities, the City enjoyed a thriving economy until the industrial revolution led to decades of disinvestment and increased poverty. One positive outcome brought on by that decline was the preservation of the City's residential, commercial and industrial structures. Since the late 1990's and most notably over the last five years, the City has witnessed a wave of private investment brought on by a migration of new residents and entrepreneurs attracted to the City's art, architecture, boutiques, restaurants and entertainment venues. Despite Hudson's vibrancy as a tourism destination, the City lacked a full-service hotel offering overnight and event accommodations. A vacant building located one block from the Amtrak station that was built in the mid-nineteenth century and previously served as a candle and soap making facility was identified as an ideal site for a new hotel. Higher costs resulting from the historic nature of the building resulted in a funding gap. The Company applied to Round 5 of the Consolidated Funding Application to support the higher cost associated with renovating the facility to establish a full-service boutique hotel. The project was identified as a priority by the CREDC and an Incentive Proposal offering ESD support was accepted in March 2017. Without ESD funding, the project would not have proceeded.

Competition: N/A

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

B. The Project

Completion: December 2017

Activity: The Company purchased, stabilized, renovated and furnished a vacant, 40,000-square-foot historic building in the City, establishing a 55-room boutique hotel. The Wick is a Marriott Tribute Portfolio hotel and is the only hotel in the City of Hudson. Amenities include a meeting room, fitness room, bar/lobby area, 100-person event space and an all-electric shuttle for guest transportation. To maximize the Hotel's operating efficiencies, the Company installed proprietary energy systems developed by its owners. These included a combined heat and power system that runs on natural gas and generates electricity on-site and a system that captures all waste heat to create hot water, heating and cooling capacity for the price of standard electricity generation. The Company also utilized the services of a local vendor and gallery for custom millwork and art work on display in the Hotel lobby.

Results: The Company has already exceeded its job commitment, having created 12 new jobs. The Wick is already booked every weekend from April 2018 through November 2018 for weddings and other events and is expected to grow the economy of the City and other area businesses through increased tourism.

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 \$792,472;
- Fiscal cost to NYS government is estimated at \$1,500,000;
- Project cost to NYS government per direct job is \$166,667;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$100,009;
- Ratio of project fiscal benefits to costs to NYS government is 0.53:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,372,404;
- Fiscal cost to all governments is \$1,500,000;
- All government cost per direct job is \$166,667;
- All government cost per total job is \$100,009;
- The fiscal benefit to cost ratio for all governments is 0.91:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$10,184,677, or \$679,042 per job (direct and indirect);
- The economic benefit to cost ratio is 6.79:1;
- Project construction cost is \$5,998,000, which is expected to generate 51 direct job years and 36 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.67 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

Grantee Contact: Thomas Rossi, Principal
172 River Street
Troy, NY 12180
Phone: (844) 884-9644
E-mail: trossi@redburndev.com

ESD Project No.: AA848

Project Team:	Origination	Arnie Will
	Project Management	Linda Dillon
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$1,500,000 capital grant (\$15,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Thomas Rossi and John Blackburn will guarantee the grant repayment obligation of 41 Cross Street Hospitality, LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed 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.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the

Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

6. Up to \$1,500,000 will be disbursed to Grantee upon documentation of real estate acquisition, construction/renovation, site work and furniture, fixtures and equipment project costs totaling \$7,800,000, and completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, and documentation of the employment of at least 11 Full-time Permanent Employees at the Project Location (Employment Increment of 11), 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 10, 2015, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.
7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

full calendar year after the disbursement was made.

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

Baseline Employment	0
A	B
Reporting Date	Employment Goals
February 1, 2019	0+X
February 1, 2020	0+X

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

D. Labor Peace

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

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

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

The City of Hudson Planning 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 May 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.

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. 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 Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises (MWBEs) for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve MWBE Participation. Establishment of specific goals related to the total value of ESD's funding is pending.

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

Regional Council Award – Priority Project – Hudson (Capital Region – Columbia County)
– The Wick Hotel Capital – Regional Council Capital Fund (Capital Grant) – Findings and
Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the
Proposed General Project Plan; Authorization to Make a Grant and to Take Related
Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to 41 Cross Street Hospitality, LLC a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *

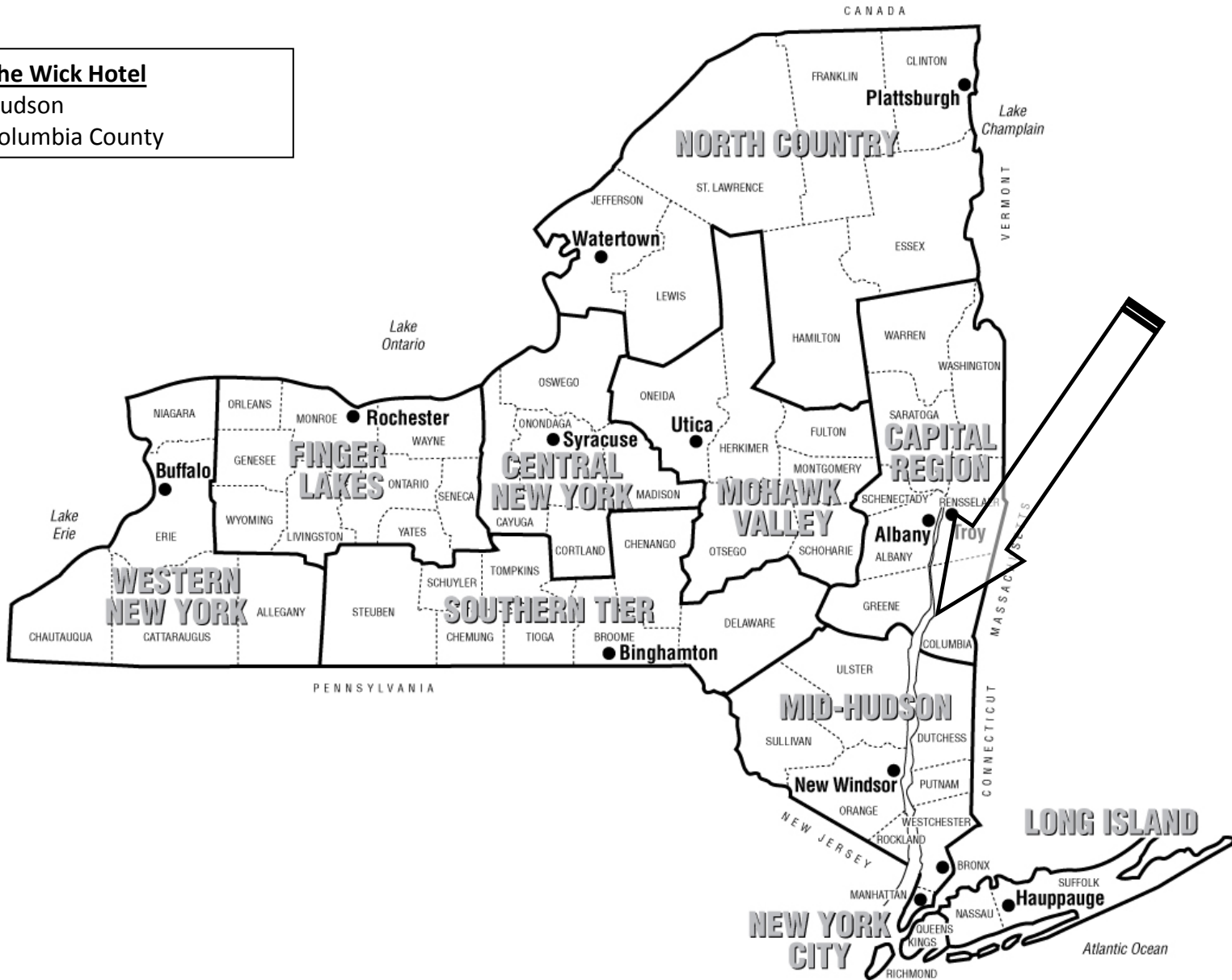
April 19, 2018

Regional Council Award – Priority Project – Hudson (Capital Region – Columbia County)
– The Wick Hotel 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 The Wick Hotel Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

The Wick Hotel
Hudson
Columbia County



**Project Summary
Benefit-Cost Evaluation¹**

41 Cross Street Hospitality, 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):	51
New Jobs:	11	Construction Job Years (Indirect):	36

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$1,500,000	\$794,250	\$1,500,000	\$1,020,500
Fiscal Benefits⁴	\$792,472	\$2,085,600	\$1,372,404	\$4,271,980
Fiscal Cost /Direct Job	\$166,667	\$3,000	\$166,667	\$4,110
Fiscal Cost/Total Jobs	\$100,009	\$1,424	\$100,009	\$1,964
Fiscal B/C Ratio	0.53	7.00	0.91	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$10,184,677	\$119,468,000		
Econ. Benefits/Total Jobs	\$679,042	\$147,600		
Economic B/C Ratio	6.79	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.

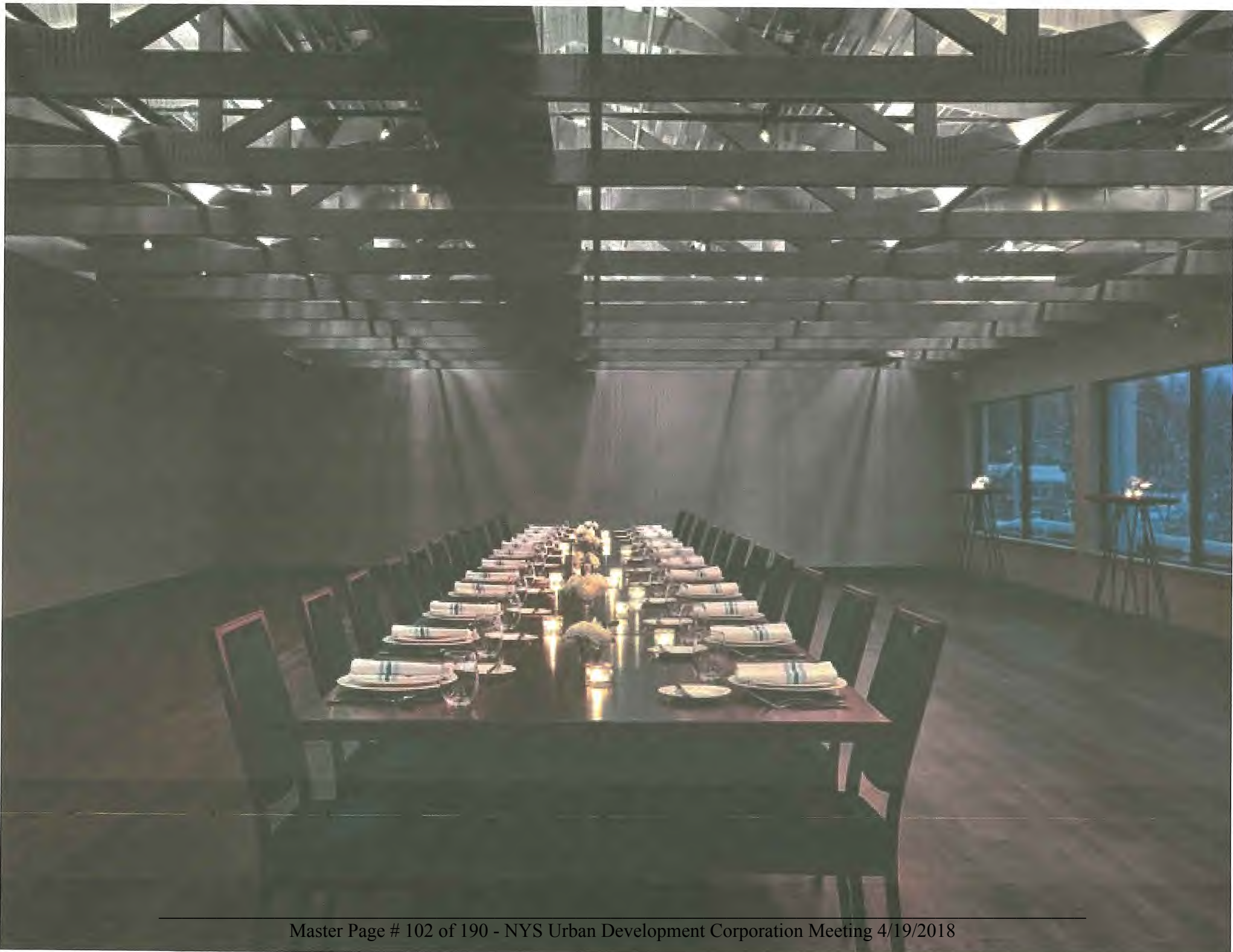
⁵ Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.











FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Schenectady (Capital Region – Schenectady County) – Adeline Graham 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: Arts Center and Theatre of Schenectady, Inc., dba Proctors (“Proctors” or the “Organization”)

ESD* Investment: A grant of up to \$330,000 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: 432 State Street, Schenectady, Schenectady County

Proposed Project: Renovation of a 12,000-square-foot vacant space, site work, and machinery and equipment purchases to create the Adeline Graham Theatrical Training and Innovation Center (the “Center” or the “ADDY”)

Project Type: Workforce investment involving facility fit-out and the acquisition of machinery and equipment to increase training opportunities

Regional Council: The project is consistent with the Capital Regional Economic Development Council’s (the “Council”) strategy of furthering the Opportunity Agenda by increasing access to education and training, and

advancing the Region’s creative economy. Philip Morris, CEO of Arts Center and Theatre of Schenectady, Inc. is a member of the 21-person Capital Regional Economic Development Council. In conformance with the State’s policy, this individual has recused himself on votes recommending this project. The Council includes 11 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$1,705,632
Machinery and Equipment	189,148
Infrastructure/Site Work	16,834
Other (architectural, engineering and construction management)	<u>235,580</u>
Total Project Costs	<u>\$2,147,194</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$330,000	16%	
Bank Financing – Pioneer Savings Bank	950,000	44%	\$600,000 principal payment due in 12 mos; variable interest rate (Prime + .25%)/60 mos, 2nd position
NYS Council for the Arts*	49,000	2%	
Grantee Equity	<u>818,194</u>	<u>38%</u>	
Total Project Financing	<u>\$2,147,194</u>	<u>100%</u>	

* Facilities Grant

III. Project Description

A. Company

Industry: Performing Arts

Company History: Founded in 1927, Proctors began in the City of Schenectady as a theatre and arcade featuring vaudeville performances, movies and retail shopping. After changing ownership multiple times and almost being torn down in the 1970s, a group of citizens formed the Arts Center & Theatre of Schenectady, Inc. to save the Proctors. Since then, Proctors has become a valued asset within the community. The 2004 expansion of the

Proctors' main stage, along with the construction of a black box theatre and district energy system became a motivating factor for the revitalization of Schenectady's downtown area. The Proctors now operates as a multi-venue arts complex that includes a cluster of six buildings owned by Arts Center and Theatre of Schenectady, Inc. Its diverse arts and community events, regional partnerships, educational programming and ticketing services work in collaboration with many organizations to strengthen the regional creative economy.

Ownership: Proctors is a not-for-profit organization overseen by a 39-member Board of Directors.

Size: In addition to the Proctors, the Arts Center and Theatre of Schenectady, Inc. is the sole member/owner of Capital Repertory Theatre, a 501c corporation that operates a resident production theatre in Albany, and Universal Preservation Hall, a 501c corporation dedicated to the restoration and renovation of the historic Universal Preservation Hall in Saratoga. Arts Center and Theatre of Schenectady, Inc. has approximately 90 full-time employees.

Market: Proctors serves 650,000 people annually, producing more than 1,700 events.

ESD Involvement: The Arts Center and Theatre of Schenectady, Inc. provides children and students in the City of Schenectady, over 50 percent of which live below the poverty line, with programs offering greater access to arts education. The Organization was interested in developing new revenue streams and expanding services to offer workforce training programs geared towards developing skills for theatre performance, production and technology jobs for high school and early college students. The third floor of the three-story structure attached to the Westside, the Proctors main stage, was a vacant shell that sat unoccupied for over 15 years with two inoperable elevators that severely limited its accessibility. The Arts Center and Theatre of Schenectady, Inc. applied to Round 5 of the Consolidated Funding Application ("CFA") for financial assistance to support an investment that would build-out the third floor and create a multi-use arts education center. The proposal was identified by the CREDC as a Priority Project based on its potential for training future artists and artisans for theatre and media careers. As a result of the Governor's Regional Economic Development Council Initiative, the Organization was awarded \$330,000 through Round 5 of the CFA to assist with this project.

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 Director's Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
Market NY	AA671	\$60,750	July 21, 2016	October 4, 2017	Working capital grant for a multi-media campaign to promote special event.
Market NY	Z135	\$60,000	July 17, 2014	December 31, 2016	Working capital grant for a multi-media campaign to promote special event.
Market NY	Z684	\$150,000	June 25, 2015	December 31, 2017	Working capital grant for regional tourism marketing.

B. The Project

Completion: December 2017

Activity: Arts Center and Theatre of Schenectady, Inc. renovated the third floor of the Proctors to create the 12,000-square-foot Adeline Graham Theatrical Training and Innovation Center. The project included the installation of new flooring, walls and ceilings, heating and cooling systems, electrical and fire protection systems, and audio, visual and theatrical lighting systems. The project also included the construction of a 100-seat theatre, a classroom with a danceable floor, a media lab, four sound-insulated practice rooms, restrooms and a lobby area, and two elevators providing access to the third floor have been repaired and modernized with new control, safety, and drive systems.

Results: The project has directly leveraged the creation of several new programs and the expansion of existing programs. Additional middle school students from various Schenectady schools, leveraging adjusted bus routes, are now able to participate in two new after school programs focused on theatre technology and performance skills. Additionally, the Organization has entered into a rental agreement with Empire State Youth Orchestra for space at the ADDY to expand its Creating Harmony, Invigorating Music Education program, resulting in a new source of revenue. Proctors is also producing "Working Capital – Diversifying the Workplace in our Region's Creative Industries", a symposium that will connect employers and job seekers while informing the development of new curriculum and programs. Three new full-time employees have been

hired as teaching faculty and program administrators, along with a part-time Outreach Coordinator, for new curriculum development and program implementation. It is also anticipated that up to ten adjunct faculty will be hired to supplement performing arts and technical theatre coursework for teens and adults seeking workforce skills or college degrees.

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: Philip Morris, CEO
432 State Street
Schenectady, NY 12305
Phone: (518)382-3884 x113
E-mail: pmorris@proctors.org

ESD Project No.: AA826

Project Team:	Origination	Arnie Will
	Project Management	Linda Dillon
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$330,000 capital grant (\$3,300) 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 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 \$330,000 will be disbursed to Grantee in a lump sum upon documentation of construction/renovation, site work, and machinery and equipment project costs totaling \$2,147,194, 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 December 10, 2015, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$330,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ESD Directors adopted SEQRA Findings on May 19, 2004 based on the Final Environmental Impact Statement (“FEIS”) for the Canal Square Corridor Redevelopment Project, which included the renovation of the project building. By adoption of SEQRA Findings, the Directors certified that

the requirements of 6 NYCRR Part 617 have been met. The present request for ESD funding does not constitute an action beyond those actions already considered in the FEIS and does not require additional environmental review under SEQRA.

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 MWBE Participation. Establishment of specific goals related to the total value of ESD's funding is still pending.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

- Resolutions
- New York State Map
- Project Finance Memorandum
- Project Photographs

April 19, 2018

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Arts Center and Theatre of Schenectady, Inc a grant for a total amount not to exceed Three Hundred and Thirty Thousand Dollars (\$330,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

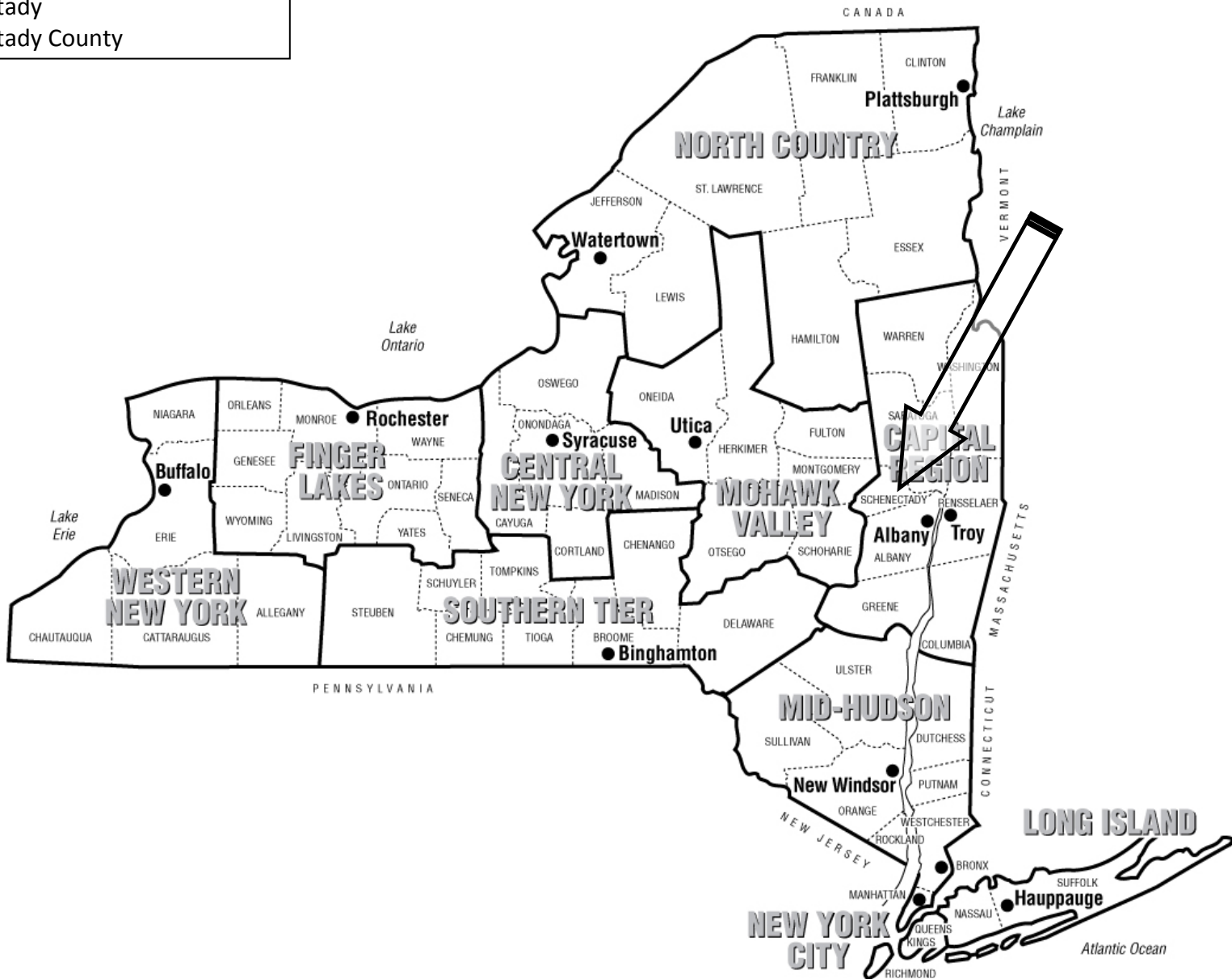
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of

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

* * *

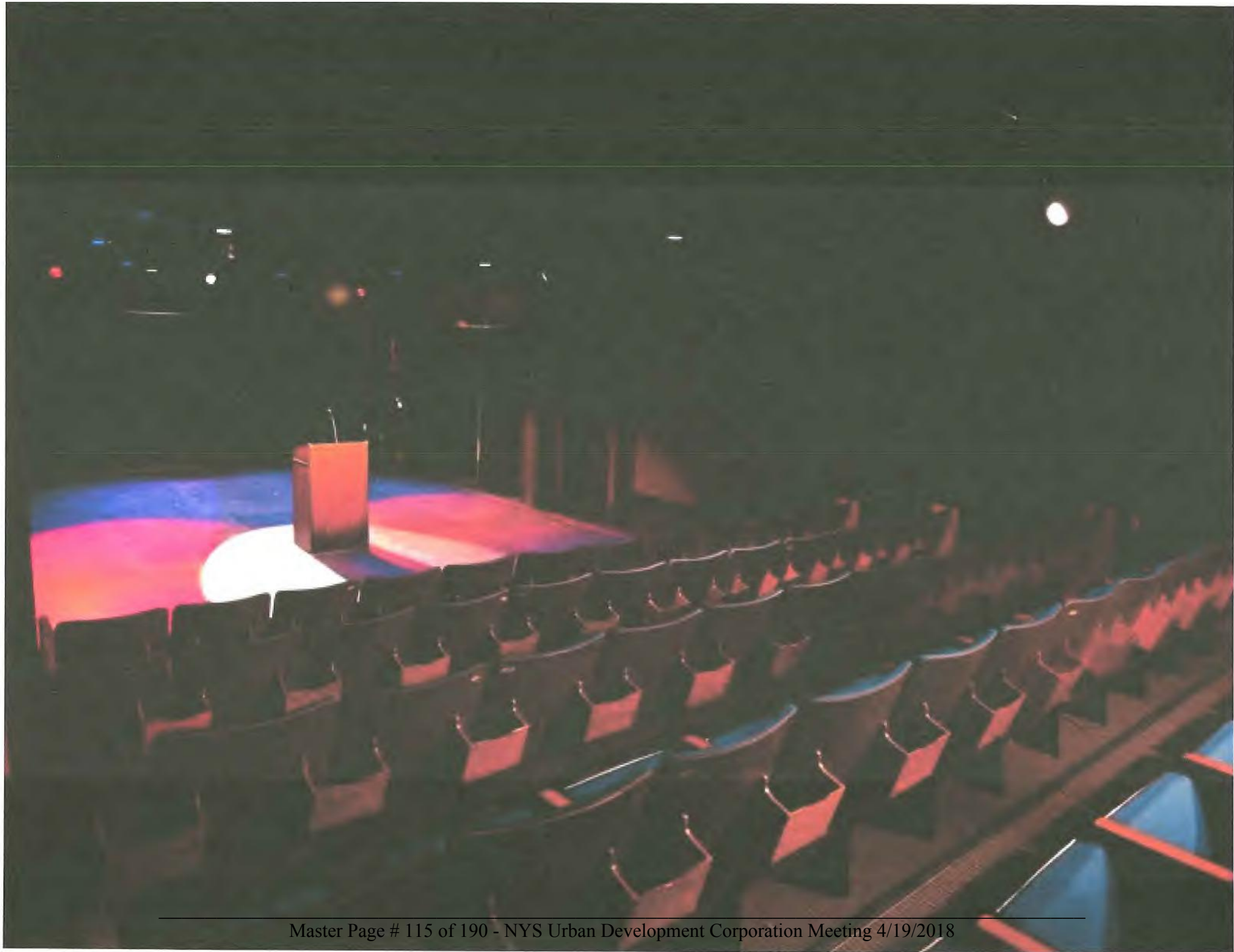
Adeline Graham Center Capital

Schenectady
Schenectady County











FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – Special Touch Bakery 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: The Rochester School of the Holy Childhood, Inc. (“Holy Childhood” or the “Organization”)

ESD* Investment: A grant of up to \$481,000 to be used for a portion of the cost of renovations and the purchase of machinery and equipment

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

Project Location: 1999 Mt. Read Boulevard, Rochester, Monroe County

Proposed Project: Renovation of a 20,000-square-foot industrial space and conversion into a state-of-the-art food production facility

Project Type: Construction of a new production facility involving job creation

Regional Council: This project is consistent with the Finger Lakes Regional Economic Development Council’s Plan as it will spur significant regional economic growth.

Employment: Initial employment at time of ESD Incentive Proposal: 0
 Current employment level: 25
 Minimum employment on January 1, 2021: 24*
 *New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$1,175,000
Machinery and Equipment	1,000,000
Furniture, Fixtures, and Equipment	86,500
Other Project Costs	<u>143,900</u>
Total Project Costs	<u>\$2,405,400</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$481,000	20%
Foundation support	800,000	33%
Individual/corporate support	374,400	16%
Grantee Equity	<u>750,000</u>	<u>31%</u>
Total Project Financing	<u>\$2,405,400</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Education and training for people with intellectual and developmental disabilities

History: Founded in 1946, The Rochester School of the Holy Childhood, Inc. is a non-denominational, not-for-profit agency that has enriched the lives of people with intellectual and developmental disabilities for more than 70 years. The Organization's mission is to prepare children and adults with intellectual and developmental disabilities for maximum independence and integration in the community through individualized programs and services. The Organization is dedicated to serving its clients in an atmosphere of dignity and compassion and serves more than 200 people in its School Program for ages 5 to 21 and the Adult Program, which serves people from age 21 through retirement. Services include individualized education, vocational training, transition and skills training, supported employment, Medicaid Service Coordination and diagnostic and treatment services.

Ownership: The Rochester School of the Holy Childhood, Inc. is a not-for-profit organization.

Size: All facilities are located in Monroe County, NY.

Market: N/A

ESD Involvement: The Organization identified the expansion of its food production arm through the construction of a new facility, the Special Touch Bakery, as a means to provide training and employment for vulnerable and difficult to employ populations and to make its operations more sustainable and to increase and diversify the Organization’s sources of earned revenue. The previous facility was a kitchen on the Organization’s campus that, while produces 17,000 pies a year, left no room for on-site expansion which was deemed necessary to realize financial sustainability. Holy Childhood identified a 20,000-square-foot industrial space in the City of Rochester as the location for the state-of-the-art facility. The Organization submitted a proposal under Round 6 of the Consolidated Funding Application (“CFA”) to assist with renovation and machinery and equipment for the project. As a result of the Governor’s Regional Economic Development Council Initiative, the Company was awarded \$481,000 through the CFA to assist with this project.

ESD funds are critical to the success of this project, and will further the Organization’s strategy to make operations sustainable by leveraging a variety of public and private resources.

Competition: N/A

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

B. The Project

Completion: January 2021

Activity: The Organization will construct the new Special Touch Bakery facility on a 20,000-square-foot industrial space in Rochester. The facility will be a state-of-the-art pie and food production facility which will increase Holy Childhood’s sales and distribution capabilities. The Organization has partnered with the Wegmans Food Markets team who has assisted with project design. The Organization has also partnered with food distributor Palmer Foods, which has more than 1,000 regional customers, to ensure sustainability and a consistent customer-base. Finally, the Organization has partnered with Foodlink, a regional food bank that distributed more

than 17.4 million pounds of food last year.

Results:

Create 24 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 \$593,138;
- Fiscal cost to NYS government is estimated at \$481,000;
- Project cost to NYS government per direct job is \$35,368;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$16,589;
- Ratio of project fiscal benefits to costs to NYS government is 1.23:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,021,424;
- Fiscal cost to all governments is \$481,000;
- All government cost per direct job is \$35,368;
- All government cost per total job is \$16,589;
- The fiscal benefit to cost ratio for all governments is 2.12:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$7,825,916, or \$269,901 per job (direct and indirect);
- The economic benefit to cost ratio is 16.27:1;
- Project construction cost is \$1,175,000, which is expected to generate 9 direct job years and 6 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.14 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: Donna M. Dedee, President & CEO
100 Groton Parkway
Rochester, NY 14623
Phone: (585) 359-3710
E-mail: ddedee@holychildhood.org

ESD Project No.: AB612

Project Team:	Origination	Vincent Esposito
	Project Management	Saul Maneiro
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Christina Choi
	Design & Construction	Marty Piecuch
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$481,000 capital grant (\$4,810) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$481,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$240,500) upon documentation of construction/renovation, machinery and equipment, furniture, fixture, and soft project costs totaling \$2,405,400, and documentation of the employment of at least 10 Full-time Permanent Employees at the Project Location (Employment Increment of 10),
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$120,250) will be disbursed upon documentation of the employment of at least 17 Full-time Permanent Employees at the Project Location (Employment Increment of 7), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$120,250) will be disbursed upon documentation of the employment of at least 24 Full-time Permanent Employees at the Project Location (Employment Increment of 7), 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 September 1, 2021.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$481,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

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

Baseline Employment	0
A	B
Reporting Date	Employment Goals
February 1, 2019	0+X+Y+Z
February 1, 2020	0+X+Y+Z
February 1, 2021	0+X+Y+Z
February 1, 2022	0+X+Y+Z

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

Y = Grantee’s Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y = 7, and Employment Goals shall equal $[0 + X + Y = 17]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y = 7, and Employment Goals shall equal $[0 + X + Y + Z = 24]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

IV. Statutory Basis – Regional Council Capital Fund

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

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

VII. Non-Discrimination and Contractor & Supplier Diversity

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

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 Summary Benefit-Cost Evaluation
Project Finance Memorandum

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Rochester School of the Holy Childhood, Inc. a grant for a total amount not to exceed Four Hundred Eighty One Thousand Dollars (\$481,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *

April 19, 2018

Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – Special Touch Bakery Capital – Regional Council Capital Fund (Capital Grant)
– Determination of No Significant Effect on the Environment

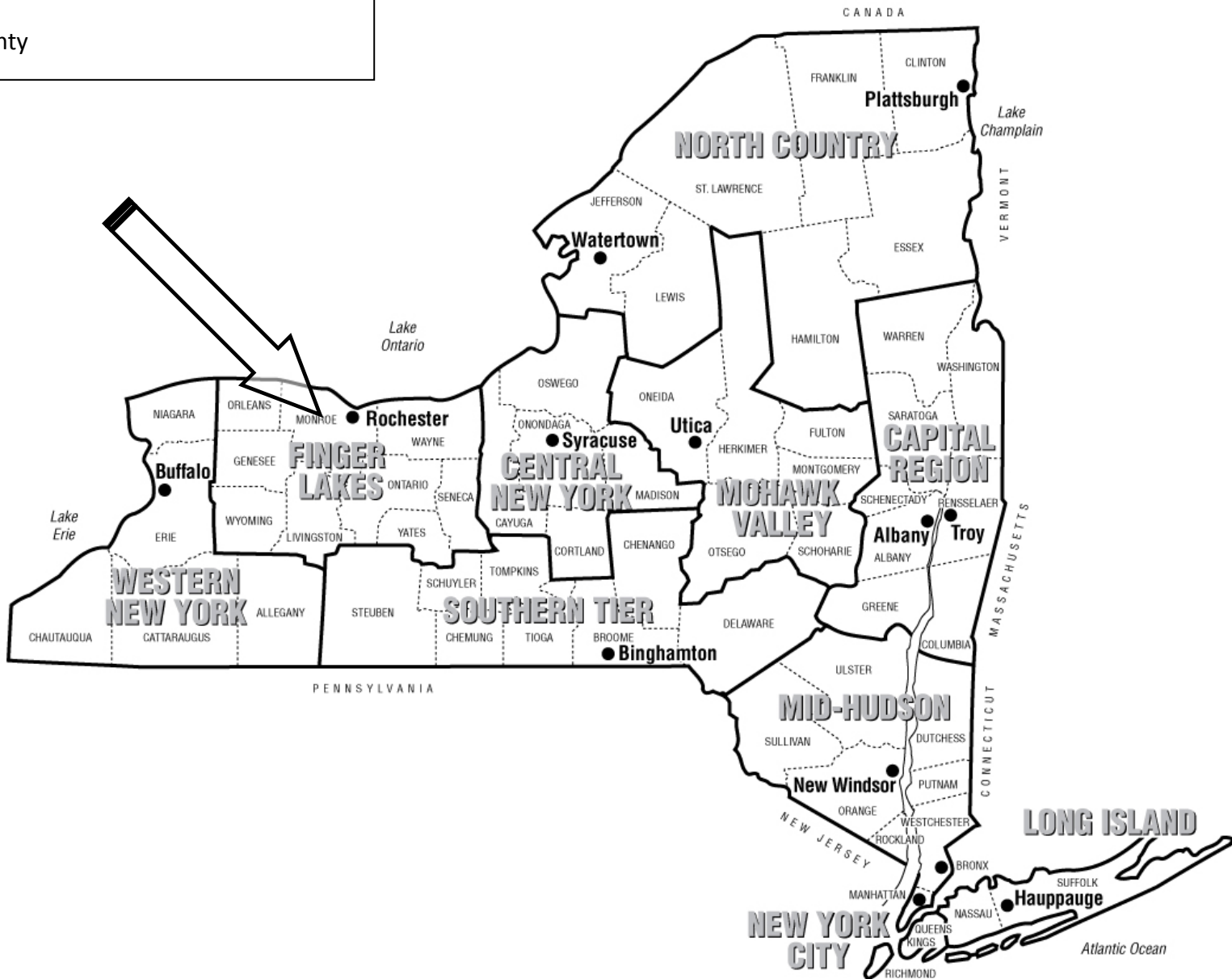
RESOLVED, that based on the material submitted to the Directors with respect to the Special Touch Bakery Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Special Touch Bakery Capital

Rochester

Monroe County



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Stony Brook (Long Island Region – Suffolk County) – SBU MRI Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: The Research Foundation for The State Univeristy of New York (“The Research Foundation”) on behalf of Stony Brook University School of Medicine (“University” or “SBU”)

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

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

Project Location: 101 Nicolls Road, Stony Brook, Suffolk County

Proposed Project: Third phase of biomedical imaging equipment expansion to support academic and industry research in the life sciences

Project Type: Facility and program expansion

Regional Council: The project is consistent with the Long Island Regional Economic Development Council Plan to support the growing life sciences industry.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$1,371,108
Machinery and Equipment	2,993,112
Furniture, Fixtures & Equipment	919,627
Planning, Design & Soft Costs	<u>52,958</u>

Total Project Costs \$5,336,805

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	9%
National Institutes of Health		
Shared Instrumentation Federal Grant	500,000	9%
Grantee Equity	<u>4,336,805</u>	<u>82%</u>
Total Project Financing	<u>\$5,336,805</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Higher Education

Company History: The Research Foundation is an educational corporation that administers externally funded contracts and grants for and on behalf of the State University of New York ("SUNY") established in 1951. It is a separate not-for-profit corporation, and as such is not support by state appropriated tax dollars, not does it receive support services provided to New York State agencies. The Research Foundation provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution.

Stony Brook University was established in 1957 as a college for preparation of secondary school teachers of mathematics and science. The first campus was located in Oyster Bay, Long Island, on the grounds of a former Gold Coast estate. In 1962, a new campus was built near the historic Village of Stony Brook on land donated by local philanthropist Ward Melville. As a part of the SUNY system, the University has grown tremendously and is now recognized as one of the nation's important centers of learning and scholarship. The University campus is approximately 60 miles east of Manhattan and 60 miles west of Montauk Point.

The Stony Brook University School of Medicine, for the last three decades, has integrated all of Stony Brook University's health related initiatives: education, research and patient care. It includes six health sciences schools – Dental Medicine, Health Technology and Management Medicine, Nursing, Social Welfare, and Pharmacy & Pharmaceutical Sciences – as well as Stony Brook University Hospital, Stony Brook Southampton Hospital, Stony Brook Children's Hospital, and more than 90 community-based healthcare settings throughout Suffolk County.

- Ownership:** The Research Foundation is a private, not-for-profit educational corporation that administers externally funded contracts and grants for and on behalf of the SUNY. Stony Brook University is a public institution of higher education.
- Size:** The Research Foundation has over 17,000 employees statewide. Stony Brook is situated on 1,400 acres with over 200 buildings, 120 of which are located on the main campus of the north shore of Long Island. Approximately 1,600 faculty members work at the University with a total enrollment of 24,600 students.
- Market:** For-profit reference labs and third party MRI sequence development firms.
- ESD Involvement:** Stony Brook University submitted a proposal under Round 6 of the Consolidated Funding Application ("CFA") to assist with the phase of this project involving the construction and installation of a 9.4T MRI Scanner. The project was completed and relied primarily on New York State vendors and New York State labor, and will strengthen the University's strategic position as a first order biomedical imaging research institution. As a result of the Governor's Regional Economic Development Council Initiative, Stony Brook was awarded \$500,000 through the CFA to assist with this project.
- Competition:** N/A

Past ESD Support: Funding for the past five years to the Grantee, totaling \$78.5 million, is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund	X651	\$1,000,000	June 25, 2015	December 31, 2018	Capital
Regional Council Capital Fund	Y951	\$1,500,000	September 18, 2014	April 30, 2016	Capital
Regional Council Capital Fund	Z021	\$500,000	June 23, 2016	December 31, 2019	Capital
Regional Council Capital Fund	AA543	\$500,000	August 17, 2017	April 2017	Capital
Transformative Investment Prog	AB116	\$75,000,000	July 27, 2017	August 2021	Capital

B. The Project

Completion: December 2017

Activity: For this third and final phase of the development of the Pre-Clinical MRI Scan Center, the University purchased and installed biomedical imaging equipment.

Results: The new biomedical imaging equipment will allow for the development of new and unique pulse scan sequences that are tissue and organ specific for research rodent models. Advances in this technology will further strengthen the Medical School's strategic position as a first order biomedical imaging research institution, and will serve as a catalyst for additional federal and private research funding, bringing more jobs and private sector interest into the region.

Economic Growth

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

Grantee Contact: Annette DePietri, CRA/Contracts Administrator
W 5510 Melville Library
Stony Brook, NY 11794
Phone: (631) 632-4402
E-mail: osp_contracts@stonybrook.edu

ESD Project No.: AB447

Project Team:	Origination	Barry Greenspan
	Project Management	Anna Franzini
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through 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 \$500,000 will be disbursed to Grantee upon documentation of construction/renovation, planning/design, and machinery and equipment project costs totaling \$5,336,805, upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy and/or other documentation verifying project completion as ESD may 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 March 8, 2017, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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 2016-2017 New York State budget and re-appropriated in

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

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-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. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

- Resolutions
- New York State Map
- Project Finance Memorandum
- Project Photographs

Regional Council Award – Stony Brook (Long Island Region – Suffolk County) – SBU MRI 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 SBU MRI Capital -- Regional Council Capital Fund (Capital Grant)_Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

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

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

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

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

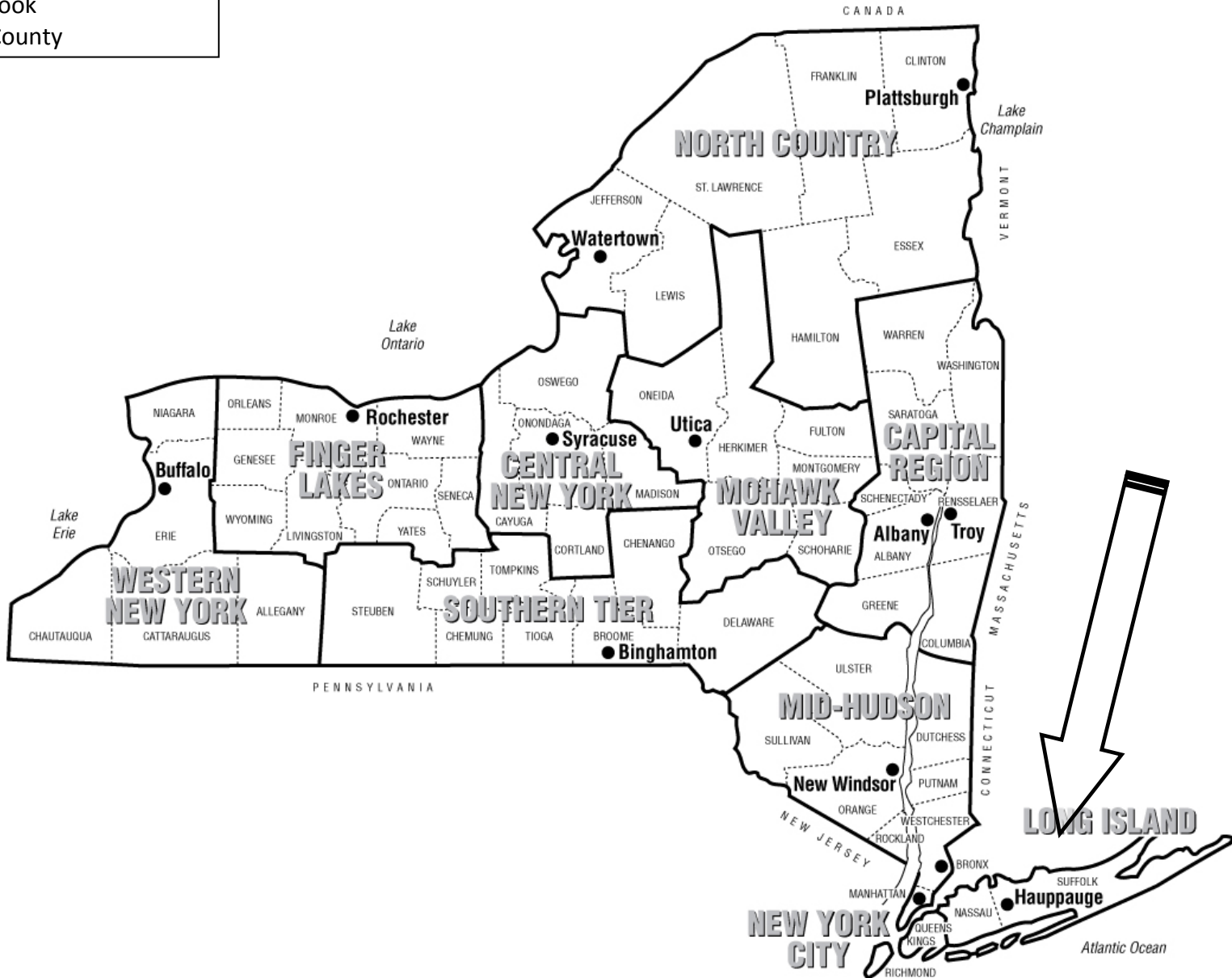
consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

SBU MRI Capital

Stony Brook

Suffolk County







FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award - Potsdam (North Country Region – St Lawrence County) – LC Drives 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: LC Drives Corporation (“LC” or “the Company”)

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

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

Project Location: 65 Main Street, Potsdam, St. Lawrence County

Proposed Project: Purchase of machinery and equipment for production of specialized electric motors

Project Type: Machinery and equipment acquisition involving job creation

Regional Council: The project is consistent with the North Country Regional Economic Development Council’s plan to support existing employers.

Employment: Initial employment at time of ESD Incentive Proposal: 6
Current employment level: 16
Minimum employment on January 1, 2019: 16

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Machinery & Equipment	\$1,375,350	
Engineering	624,650	
Job Training	<u>500,000</u>	
Total Project Costs	<u>\$2,500,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	20%
Company Equity	<u>2,000,000</u>	<u>80%</u>
Total Project Financing	<u>\$2,500,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Electrical Equipment Manufacturing

Company History: Established in 2012, LC Drives Corporation designs, develop, and manufacture electric motors. The Company holds 10 patent-pending applications for its next generation of electric motors for use in commercial applications.

Ownership: LC Drives Corporation is a privately-owned company.

Size: All facilities are located in Potsdam, NY

Market: The Company competes globally for users of specialized electric motors.

ESD Involvement: In March 2016, LC was awarded \$200,000 grant under Round 5 of the Consolidated Funding Application ("CFA") to purchase and install a dynamometer for testing of electric motors and equipment to expand its business output. LC completed the project and created the required six jobs. In March 2017, the Company sought to undertake the second phase of the expansion of its business output by acquiring additional equipment to upgrade production capabilities. The Company submitted a proposal under Round 6 of the CFA to assist with the cost of the acquisition of new machinery and equipment. As a result of the Governor's Regional Economic Development Council Initiative, the Company was awarded \$500,000 through the CFA to assist with this phase of the project.

Competition: N/A

Past ESD Support: Funding for the past five years, totaling \$200,000, to the grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Director's Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
EDF	AA787	\$200,000	March 23, 2017	December 2017	Capital Grant - Machinery

B. The Project

Completion: December 2018

Activity: Purchase and installation of additional production equipment needed to maintain competitiveness and to support customer demand.

Results: Retain 6 jobs and create 10 jobs

Business Investment Project:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$1,117,098;
- Fiscal cost to NYS government is estimated at \$500,000;
- Project cost to NYS government per direct job is \$41,667;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$20,767;
- Ratio of project fiscal benefits to costs to NYS government is 2.23:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,931,409;
- Fiscal cost to all governments is \$500,000;

- All government cost per direct job is \$41,667;
- All government cost per total job is \$20,767;
- The fiscal benefit to cost ratio for all governments is 3.860:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$14,772,891, or \$613,513 per job (direct and indirect);
- The economic benefit to cost ratio is 29.55:1;
- Project construction cost is \$0 which is expected to generate 0 direct job years and seven 0 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 3 years.

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

Grantee Contact: Russ Marvin, CEO
 65 Main Street, Peyton Hall Box 21
 Potsdam, NY 13676
 Phone: (860) 721-8926
 E-mail: rmarvin@lcdrives.com

ESD Project No.: AB516

Project Team:	Origination	Erin Hynes
	Project Management	John Vandelloo
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be

borrowed money secured by the assets in the project.

4. 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 \$500,000 will be disbursed to the Grantee upon documentation of machinery, equipment, engineering, training project costs totaling \$2,500,000, completion of the project substantially as described in these materials, as evidenced by certificate of occupancy or other documentation verifying project completion, and documentation of the employment of at least 16 Full Time Permanent Employees at the Project Location (Employment Increment of 10), 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, 2017, to be considered eligible project costs.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the 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	6
A	B
Reporting Date	Employment Goals
February 1, 2019	6+X
February 1, 2020	6+X
February 1, 2021	6+X

X = Grantee's Employment Increment that will be the basis of the Disbursement of the Grant as described in section C.5 above (i.e. X=10, and Employment Goals shall equal $[6 + X = 16]$ if the Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Disbursement has not yet been made then X=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 and 2018-2019 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified Minority-and Women-owned Business Enterprises (MWBEs) in the performance of ESD projects. For purposes of this project, however, MWBE participation goals will not be established due to the unavailability of certified MWBEs for performance of this Project. Recipient shall acknowledge and adhere to ESD's Non-discrimination and Equal Employment Opportunity ("EEO") policies.

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

Regional Council Award - Potsdam (North Country Region – St. Lawrence County) – LC Drives 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 LC Drives Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

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

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

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

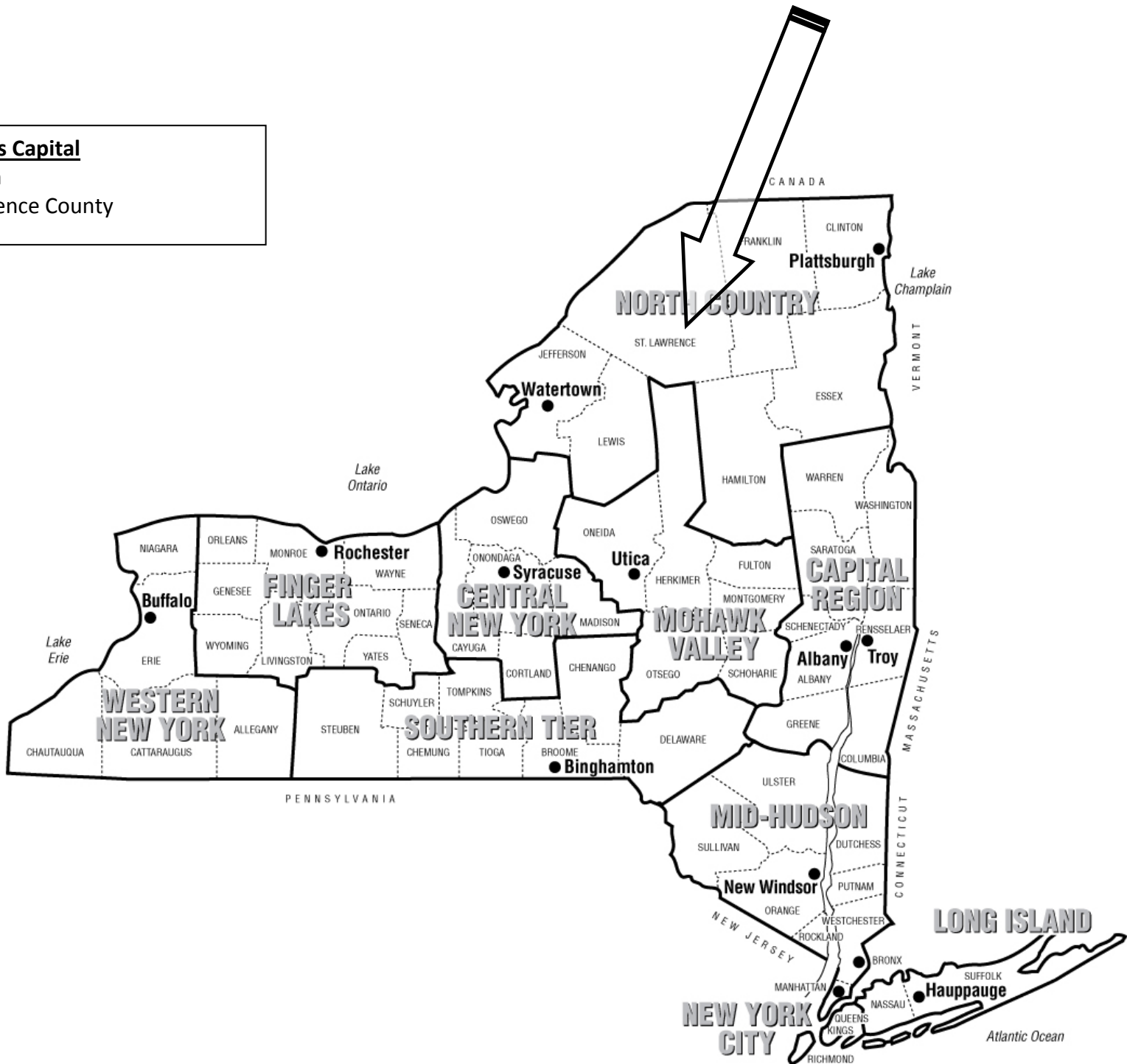
any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

LC Drives Capital

Potsdam

St. Lawrence County



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – City of Auburn (Central New York Region – Cayuga County) – City of Auburn - Smart Grid Implementation 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: City of Auburn (“Auburn” or the “City”)

ESD* Investment: A grant of up to \$1,200,000 to be used for a portion of the cost of engineering, construction, and interconnection of a micro-hydro smart grid

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

Project Location: 269 Clark Street, City of Auburn, Cayuga County

Proposed Project: Construction/renovation of the powerhouse superstructure and water passage and installation of a new turbine to the North Division Street Hydro facility

Project Type: Revitalization of public infrastructure

Regional Council: The project is consistent with the Central New York Regional Economic Development Council’s Plan to improve municipal infrastructure creating business opportunities and job creation.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$2,492,777
Machinery & Equipment	2,571,432
Soft Costs including Design, Engineering	<u>1,138,322</u>
Total Project Costs	<u>\$6,202, 531</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,200,000	19%
City of Auburn Equity	<u>5,002, 531</u>	<u>81%</u>
Total Project Financing	<u>\$6,202, 531</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Local Government

Grantee History: Incorporated on March 21, 1848, the City of Auburn is situated at the northern end of Owasco Lake, one of the six Finger Lakes. The City serves as the business center and seat of the local government for Cayuga County in Central New York. The City is home to the maximum security Auburn Correctional Facility, the William H. Seward House and the abolitionist Harriet Tubman's house.

Ownership: Municipality

Size: As of the 2010 census, the City had a population of 27,381.

ESD Involvement: In 2009 and 2010, the City of Auburn completed a comprehensive plan, the "City of Auburn and Cayuga County Comprehensive Sustainable Energy and Development Plan", focused on recommendations for the redevelopment of the waterfront including repowering Auburn's hydro facilities. For over 200 years, water power along the Owasco River in Downtown Auburn has been the foundation of the community's manufacturing, industrial and economic growth. By the fall of 2014, the City's North Division Street Hydro facility ceased operations after several costly attempts by the City to repair the existing turbine and hydraulic system. The City submitted a proposal under Round 4 of the Consolidated Funding Application ("CFA") to assist with the cost of improvements to

the North Division Street Hydro facility. As a result of the Governor’s Regional Economic Development Council Initiative, the City was awarded \$1,200,000 through the CFA to assist with this infrastructure project.

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
Upstate Revitalization Initiative	AB956	\$10,000,000	December 21, 2017	December 31, 2018	Capital Grant

B. The Project

Completion: January 2018

Activity: The capital improvements to the North Division Street Hydro facility involved modifying the existing power house substructure and water passage to install a new Kaplan turbine and generator. The City procured the services of C&S Engineers, located in Syracuse, to design the new interconnected electrical system and powerhouse superstructure. The new powerhouse superstructure was necessary to house the new above-ground high voltage breakers, protections, control units, and station service mechanical and electrical equipment. The North Division Street Hydroelectric facility was dry and wet tested for commissioning in December 2017, completed its start-up phase in January 2018, and was fully operational in February 2018.

Results: The new turbine technology will allow the City to utilize the existing power canal at the Micro-Hydro facility site to capture more of the seasonal flow characteristics of the Owasco River to increase the total electric generation.

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: Michael D. Quill, Mayor
24 South Street
Auburn, New York 13021
Phone: (315) 255-4104
E-mail: mayorquill@auburnny.gov

ESD Project No.: Z657

Project Team:	Origination	Zachary Becker
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Edwina Telemaque
	Finance	Kathleen Uckert
	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 \$1,200,000 capital grant (\$12,000) 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 \$1,200,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy or other documentation verifying project completion and documentation of project costs totaling \$6,202,531, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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 2014-2015 New York State budget and reappropriated in the 2015-2016, 2016-2017, 2017-2018 and 2018-2019 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 Diversity policy will apply to the Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 34%, Minority Business Enterprise (“MBE”) Participation goal of 17% and a Women Business Enterprise (“WBE”) Participation goal of 17% 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

April 19, 2018

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to City of Auburn a grant for a total amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

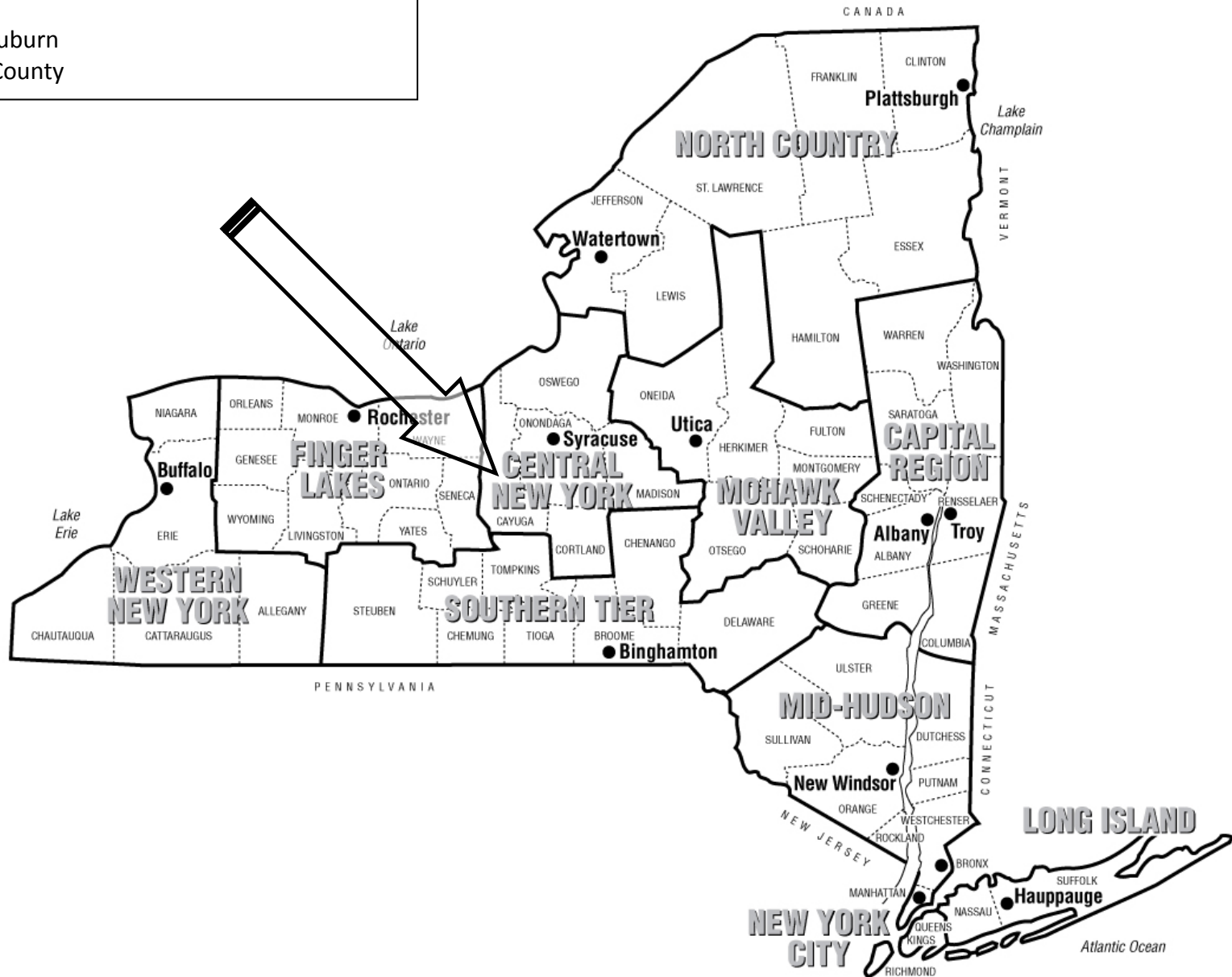
* * *

City of Auburn – Smart Grid Implementation

Capital

City of Auburn

Cayuga County



FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard – Urban Technology- New Lab 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: New Lab, LLC (the “Company”)

ESD* Investment: A grant of up to \$750,000 to be used for a portion of the cost of design and construction of an Urban Technology Hub Smart Cities Innovation Center

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

Project Location: 63 Flushing Avenue, Building 128, Brooklyn, Kings County

Proposed Project: Design and construction of an 84,000 square-foot Urban Technology Hub Smart Cities Innovation Center in the Brooklyn Navy Yard to bolster fast growing smart cities businesses with the resources required for continued growth

Project Type: Business expansion involving job retention and creation

Regional Council: The project is consistent with the New York City Regional Economic Development Council Plan to establish a mechanism to respond to the challenges of growing businesses that are high-tech, innovative, and provide incubators for business growth. The project is located within an

opportunity zone that was designated by the New York City Regional Council and within the Green Manufacturing Building, which is also a Regional Council priority project.

Employment: Initial employment at time of ESD Incentive Proposal: 12
 Current employment level: 27
 Minimum employment on January 1, 2018: 27

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction	\$3,045,604
Machinery & Equipment including Furniture and Fixtures	2,156,862
Staffing and Operations	985,838
Soft Costs including Architectural/Engineering, Project Management, Development, Consultants and Others	<u>145,840</u>
Total Project Costs	<u>\$6,334,144</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$750,000	12%	
Historic Tax Credit Equity	1,500,000	24%	
NYC-EDC Grant	1,000,000	16%	
EB-5 Debt	2,084,144	32%	4.75%/5yrs/first lien on RE
Company Equity	<u>1,000,000</u>	<u>16%</u>	
Total Project Financing	<u>\$6,334,144</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Business Acceleration/Technology Commercialization

Company History: New Lab, LLC, a privately-owned company, was formed in 2012 in order to develop, finance and build New Lab in the Brooklyn Navy Yard, a shared workspace for 600 entrepreneurs working in hardware technology.

Ownership: The Company is privately-owned.

Size: All facilities are located in Brooklyn, NY.

Market: Shared workspace and research lab for technology companies

ESD Involvement: In 2015, New Lab was designated as an Urban Tech Hub by NYCEDC, and was given multi-year operational support. In order to support a physical Smart Cities Innovation Center within New Lab, an additional capital project was undertaken to enhance New Lab's offerings specifically for companies working in Urban Technology. As a result of the Governor's Regional Economic Development Council Initiative, New Lab was awarded a \$750,000 through Round 5 of the Consolidated Funding Application to support specifically for the Smart Cities Innovation Center.

Competition: N/A

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

B. The Project

Completion: October 2016

Activity: New Lab has built an Urban Tech Hub ("Hub") that dedicates 84,000 square feet to high growth companies, including a smart cities innovation center, at New Lab in Building 128 at the Brooklyn Navy Yard. The Hub was placed in service in Q4 of 2016. By supplying technology companies with a variety of essential resources, the Hub will continue serving as an economic engine for the region going forward. The project was completed in October 2016. The Company hosts approximately 100 companies and 600 jobs at the Brooklyn Navy Yard location. The Hub currently hosts 16 companies working in new energy solutions, ag-tech, transportation, robotics, autonomous vehicles, and other urban challenges.

Results: New Lab will retain 12 jobs and create 15 new jobs. New Lab has already met its job commitment, having created 15 new jobs. In addition, Hub tenants have added approximately 212 jobs. New Lab's opening of the Hub has resulted in participating companies piloting new technologies in urban environments in the Brooklyn Navy Yard. The Hub provides an opportunity to entrepreneurs to use their expertise to contribute to the sustainability, livability, and accessibility of their local community.

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

- Fiscal benefits to NYS government from the project are estimated at \$1,138,318;

- Fiscal cost to NYS government is estimated at \$750,000;
- Project cost to NYS government per direct job is \$83,130;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$44,249;
- Ratio of project fiscal benefits to costs to NYS government is 1.52:1;
- Fiscal benefits to all governments (state and local) are estimated at \$2,444,251;
- Fiscal cost to all governments is \$750,000;
- All government cost per direct job is \$83,130;
- All government cost per total job is \$44,249;
- The fiscal benefit to cost ratio for all governments is 3.26:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$15,512,551, or \$915,228 per job (direct and indirect);
- The economic benefit to cost ratio is 20.68:1;
- Project construction cost is \$3,191,444, which is expected to generate 15 direct job years and 8 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.62 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

Grantee Contact: David Belt, Co-Founder
 1261 Broadway, 9th Floor
 New York, NY 10013
 Phone: (212) 553-1200
 E-mail: db@macro-sea.com

ESD Project No.: AB043

Project Team:	Origination	Brian Teubner
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Danah Alexander
	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 \$750,000 capital grant (\$7,500) 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. Neutrino II, LLC and New Lab Investor Group, LLC will guarantee the grant repayment obligation of its subsidiary, New Lab, LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed 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.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
6. Up to \$750,000 will be disbursed to Grantee in a lump sum upon documentation verifying project costs totaling \$6,334,144, completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy or other documentation verifying project completion, and documentation of the employment of at least 27 Full-time Permanent Employees (Employment Increment of 15) at the Project Location, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after October 21, 2016, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.
7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$750,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee

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

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

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

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

Baseline Employment	12
A	B
Reporting Date	Employment Goals
February 1, 2019	12 + X
February 1, 2020	12+ X
February 1, 2021	12 + X

X = Grantee's Employment Increment that will be the basis of the Disbursement of the Grant as described in section C.5 above (i.e. X=15, and Employment Goals shall equal [12 + X = 27] if the Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Disbursement has not yet been made then X=0.

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 and 2018-2019 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 status as a contributing building within the Brooklyn Navy Yard Historic District, which is listed on 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 Grantee shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority- and Women-owned Business Enterprise (MWBE) participation goal of 30% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

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

Regional Council Award – Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard- Urban Technology- New Lab Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New Lab, LLC a grant for a total amount not to exceed Seven Hundred and Fifty Thousand Dollars (\$750,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

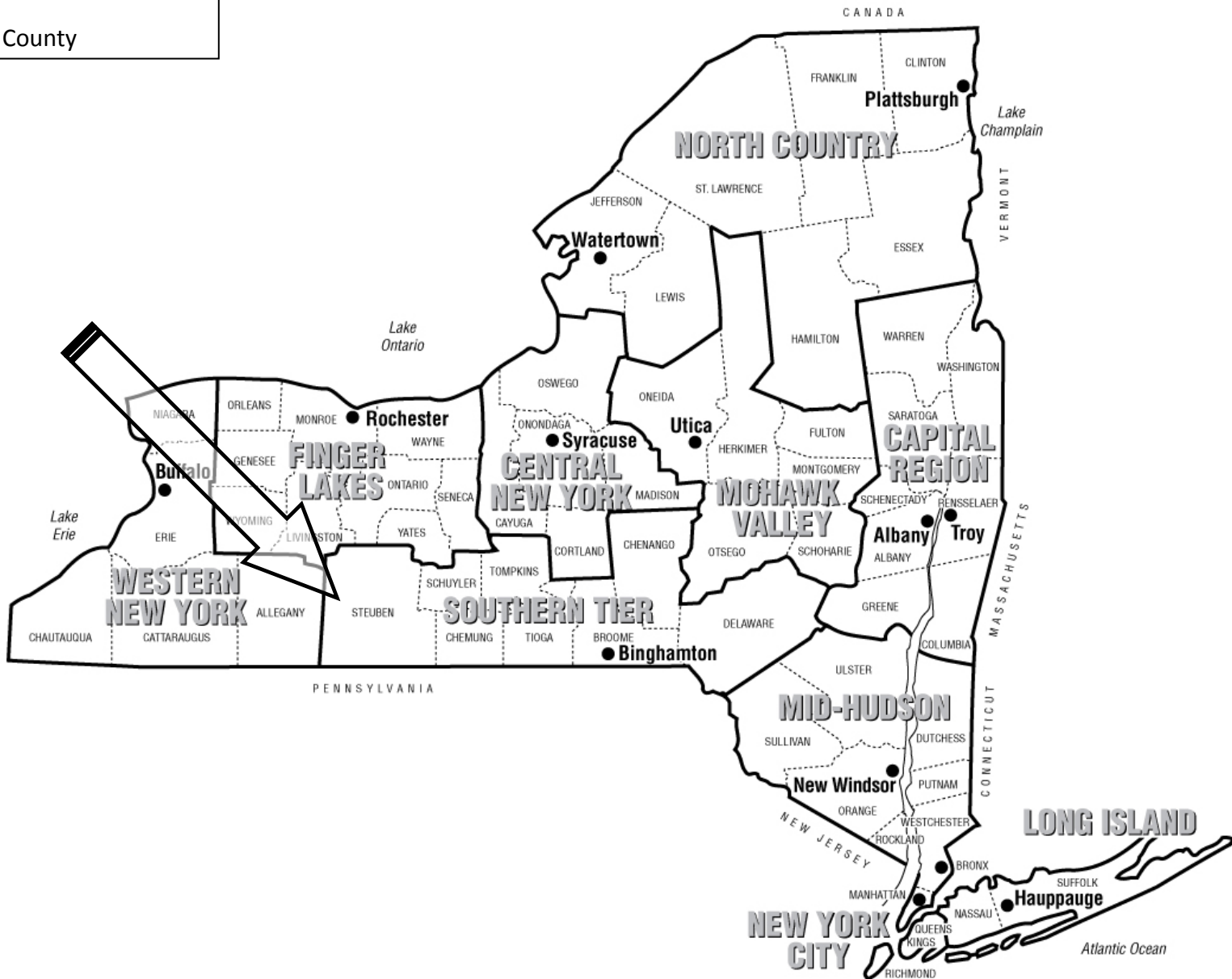
any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Amtrak Acela Capital

Hornell

Steuben County



**Project Summary
Benefit-Cost Evaluation¹**

New Lab, 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:	12	Construction Job Years (Direct):	15
New Jobs:	15 over two years	Construction Job Years (Indirect):	8

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$750,000	\$794,250	\$750,000	\$1,020,500
Fiscal Benefits⁴	\$1,138,318	\$2,085,600	\$2,444,251	\$4,271,980
Fiscal Cost /Direct Job	\$83,130	\$3,000	\$83,130	\$4,110
Fiscal Cost/Total Jobs	\$44,249	\$1,424	\$44,249	\$1,964
Fiscal B/C Ratio	1.52	7.00	3.26	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$15,512,551	\$119,468,000		
Econ. Benefits/Total Jobs	\$915,228	\$147,600		
Economic B/C Ratio	20.68	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

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Statewide – New York State Electric Generation Facility Cessation Mitigation Program

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

I. Program Summary

PTS #	Applicant	Facility	Closure Date	Anticipated Tax Loss	County	Proposed Grant Amount
AB360	Town of Tonawanda	Huntley Power LLC	January 1, 2016	89%	Erie	\$1,526,653
AB359	Dunkirk City School District	Dunkirk Power LLC	January 1, 2016	95%	Chautauqua	\$2,659,958
AB358	County of Chautauqua	Dunkirk Power LLC	January 1, 2016	95%	Chautauqua	\$1,016,709

II. Program Description

A. Background

The Electric Generation Facility Cessation Mitigation Program (the “Program”) provides grant assistance to support local government entities, school districts and special districts which have realized at least a 20% reduction in property tax collections and/or payments in lieu of taxes owed by an electric generation facility (“Facility”) subject to their taxing authority which have ceased operations. The closure must have occurred on or after June 25, 2015, as confirmed in writing by the NYS Department of Public Service (“DPS”). The claimed tax loss must be confirmed in writing by the IDA and/or the NYS Department of Taxation and Finance (“DTF”). Grant assistance may be awarded for up to seven years with up to 80 percent of any documented loss awarded in the first year and decreasing by 10% in subsequent years. Combined, the FY 2016-2017; FY 2017-2018 and the FY 2018-2019 New York State budgets appropriated \$69,000,000 for the Program.

B. The Projects

Consistent with the statute, ESD established a first come, first served process for the evaluation of applications. To date, ESD has disbursed awards to five applicants for a total of \$13,255,993. Approval of these grants would bring total disbursements to \$18,459,313.

This is the second program year application for all of the above applicants. Closure prior to June 25, 2015 has been confirmed by DPS and the tax loss for the applicant has been confirmed by the IDA and/or the DTF. The suggested grant awards are 70% of the documented tax losses.

Please see “Project Summary”, above, and the grant award calculations, attached. Program Guidelines give ESD discretion to award a grant of up to 70% of the tax loss in the second program year. Given the magnitude of the tax losses, a grant award of 70% of the loss is recommended.

III. Statutory Basis – Local Assistance

The Program was authorized in the FY 2016-2017 New York State budget. Additional appropriation was authorized in the FY 2017-18 New York State budget.

IV. Environmental Review

ESD staff has determined that the requested authorization to provide grants under the Electric Generation Facility Cessation Mitigation Program does not constitute an action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

V. ESD Employment Enforcement Policy

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

VI. Non-Discrimination and Contractor & Supplier Diversity

The Project is not a “state contract,” as that term is defined in § 310(13) of the New York State Executive Law. Therefore, ESD will not establish Minority and Women-owned Business Enterprise participation goals for the Project. The grantee shall be required to adhere to ESD's non-discrimination and Equal Employment Opportunity policy in performing the Project.

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

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

VIII. Requested Actions

The Directors are requested to authorize the making of a grant as described in these materials and the taking of related actions.

IX. Additional Submissions to Directors

Resolutions

Grant Award Calculations

Statewide – New York State Electric Generation Facility Cessation Mitigation Program - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make Grants and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized to make a grant as set forth below from the Electric Generation Cessation Mitigation Program, for the purposes and substantially on the terms and conditions set forth in the Materials and the Program guidelines, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget:

PTS #	Applicant	Facility	Closure Date	Anticipated Tax Loss	County	Proposed Grant Amount
AB360	Town of Tonawanda	Huntley Power LLC	January 1, 2016	89%	Erie	\$1,526,653
AB359	Dunkirk City School District	Dunkirk Power LLC	January 1, 2016	95%	Chautauqua	\$2,659,958
AB358	County of Chautauqua	Dunkirk Power LLC	January 1, 2016	95%	Chautauqua	\$1,016,709

and be it further

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

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

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

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

* * *

**NEW YORK STATE
ELECTRIC GENERATION CESSATION MITIGATION PROGRAM**

**CALCULATION OF CONDITIONAL AWARD
FOR YEAR TWO ASSISTANCE**

TOWN OF TONAWANDA – PROJECT NO. AB360

TOTAL PILOT PAYMENTS PRIOR TO CESSATION:	\$	2,458,552
TOTAL TAXES PAID FOR SECOND YEAR OF TAX LOSS:	\$	277,619
DIFFERENTIAL		
ACTUAL LOSS:	<u>\$</u>	<u>2,180,933</u>
PERCENTAGE OF LOSS:		89%
CONDITIONAL GRANT @ 70% OF LOSS:	<u>\$</u>	<u>1,526,653</u>

**NEW YORK STATE
ELECTRIC GENERATION CESSATION MITIGATION PROGRAM**

**CALCULATION OF CONDITIONAL AWARD
FOR YEAR TWO OF ASSISTANCE**

DUNKIRK CITY SCHOOL DISTRICT – PROJECT NO. AB359

TOTAL PILOT PAYMENTS PRIOR TO CESSATION:	\$	4,005,538
TOTAL PILOT PAYMENTS FOR FOR THE SECOND YEAR OF TAX LOSS:	\$	205,597
DIFFERENTIAL		
ACTUAL LOSS:	<u>\$</u>	<u>3,799,940</u>
PERCENTAGE OF LOSS:		95%
GRANT AWARD AT 70% OF LOSS:	<u>\$</u>	<u>2,659,958</u>

NEW YORK STATE
ELECTRIC GENERATION CESSATION MITIGATION PROGRAM

CALCULATION OF CONDITIONAL AWARD
FOR YEAR TWO OF ASSISTANCE

COUNTY OF CHAUTAUQUA – PROJECT NO. AB358

TOTAL PILOT PAYMENTS PRIOR TO CESSATION:	\$	1,531,027
TOTAL PILOT PAYMENTS FOR FOR THE SECOND YEAR OF TAX LOSS:	\$	78,585
DIFFERENTIAL		
ACTUAL LOSS:	\$	<u>1,452,442</u>
PERCENTAGE OF LOSS:		95%
GRANT AWARD AT 70% OF LOSS:	\$	<u>1,016,709</u>

FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Atlantic Yards Land Use Improvement and Civic Project (“Project”) -
Procurement of Environmental Consulting Services

REQUEST FOR: Authorization to Amend the Contract with Henningson, Durham &
Richardson, Architecture and Engineering, P.C. to Continue to Provide
Mitigation Monitoring Consulting Services; and Authorization to Take
Related Actions

I. CONTRACT SUMMARY

Consultant: Henningson, Durham & Richardson, Architecture and
Engineering, P.C (“HDR” or “Consultant”)

Scope of Services: Scope of Services would remain unchanged. Consultant
would continue to provide Owner’s Representative
services for mitigation monitoring in connection with the
required environmental mitigation measures for the
Atlantic Yards Land Use Improvement and Civic Project

Current Contract Term Eleven years (expires May 2018)

Amendment Term: One (1) year term with an option for one (1) year
extension. (Amended contract would expire May 2019,
with an option for a one-year extension to May 2020.)

Current Contract Amount: Not to exceed \$4,645,000.

Amendment Amount: Not to exceed \$500,000 per year for the additional one-
year term plus optional one-year extension.

New Total Contract Amount: Not to exceed \$5,645,000

Funding Source: Imprest Account (funded by project developer)

II. BACKGROUND

In 2006, ESD completed the State Environmental Quality Review (“SEQRA”) process and affirmed the General Project Plan (“GPP”) for the Atlantic Yards Land Use Improvement and Civic Project (the “Project”). The Project consists of: the approximately 18,000-seat Barclays Arena, which has hosted hundreds of sporting and entertainment events since opening in September 2012; the development of a reconfigured and improved LIRR Vanderbilt train yard and subway facility improvements; the development of 16 buildings for residential, office and retail uses, including up to 6,430 units of housing, which will include 4,500 rental units of which 2,250 units (50%) will be affordable to low, moderate, and middle income households; and the creation of eight acres of publicly accessible open space.

ESD, as the lead agency for SEQRA, prepared Draft and Final Environmental Impact Statements to address the potential environmental impacts that could result from the Project. During the public comment period on the Draft Environmental Impact Statement (“DEIS”), ESD received public comments requesting that it put into place a mechanism to require the Project developer to implement the numerous project-related environmental commitments and mitigation measures described in the DEIS. To address these comments, the Final Environmental Impact Statement (“FEIS”) stated that ESD would require the Project developer to enter into contractual obligations to implement required environmental impact avoidance and mitigation measures. The FEIS further provided that, during construction of the Project, ESD would retain the services of appropriate professionals to monitor and ensure compliance with the same.

A document titled “Memorandum of Environmental Commitments for the Atlantic Yards Project” dated December 8, 2006 (the “Memorandum”) describes the specific avoidance and mitigation measures that Project developer is required to undertake in connection with the Project and the role of the environmental monitor to be retained by ESD. The Memorandum commitments are enforceable against Project developer through the contractual documents that have been entered into between ESD and developer. The Memorandum has been amended twice since 2006; the most recent amendment (the “Second Amended Memorandum of Environmental Commitments”) was prepared in connection with the Supplemental EIS (“SEIS”) that ESD approved in 2014. ESD had been directed by court order to prepare an SEIS to address and analyze the potential significant adverse impacts resulting in a delay in construction completion. The SEIS also took into account certain modifications to the GPP regarding transfer of floor area and on-site parking requirements.

III. CONSULTANT SELECTION PROCESS

ESD advertised a Request for Proposals (“RFP”) in the Contract Reporter for the Environmental Monitor on February 5, 2007 but did not receive any qualified proposals. The RFP was subsequently modified to more specifically describe the desired services and the name of the RFP was changed to “Owners Representative – Mitigation Monitor” with the intention of clarifying the services to be contracted. A short list of eight potentially qualified engineering and/or construction management firms was identified and the RFP was sent directly to the

short list of firms. Of the eight firms that were sent the RFP, three proposals were received by the submission deadline. These three proposals were reviewed by ESD staff and outside environmental counsel. Based on the quality of HDR's proposal, the demonstrated experience of the team assembled to perform the work, and results from checking project references, ESD staff recommended that the ESD Directors authorize retention of HDR to perform the mitigation monitor responsibilities. The ESD Directors authorized an initial contract of up to ten years, the then-expected life of the Project.

HDR has approximately 6,000 employees with more than 140 offices nationwide. HDR's New York Department has almost 400 employees from which they draw from to accommodate the numerous technical areas covered by the mitigation commitments. More specifically, HDR has a decade of in-depth knowledge and familiarity with the project and its history of environmental mitigation, and has performed well on the contract. Until the next phase of the Project is defined, staff has determined that the Project is best served by continuing to retain HDR to provide owner's representative services to conduct mitigation monitoring of construction activities to ensure that environmental mitigation measures, as required of the Developer by the Memorandum, are provided throughout construction. Accordingly, staff obtained approval of a contract reporter exemption request to assure continuity of services for the near term construction of the Project. It remains ESD's intent to hold a competitive solicitation for the next phase of Project construction and mitigation monitoring, once phasing of the remaining Project construction can be better defined and such information can be incorporated into the scope of a solicitation.

IV. SCOPE OF WORK

Consultant will continue to monitor certain impact avoidance and mitigation measures described in the FEIS and set forth in the Memorandum. These include:

- handling of hazardous materials at the site, including (i) development and implementation of procedures for pre-demolition removal of PCB-containing equipment in accordance with applicable regulations; (ii) implementation of dust suppression techniques during the demolition of buildings and any excavation, grading or earth-moving activities at the project site; (iii) additional subsurface investigations as needed to refine and supplement soil and groundwater sampling data previously collected; (iv) remediation of contaminated material where necessary (unless such activities are overseen by NYSDEC or NYCDEP); and (v) prior to remediation and excavation at the site, development and subsequent implementation of the Construction Health and Safety Plan and Community Air Monitoring Plan;
- certain issues pertaining to construction, including (i) incorporation of necessary environmental commitments into construction contracts; (ii) routing of truck deliveries to minimize traffic impacts; (iii) designation of on-site staging areas to reduce truck queueing and materials storage in the streets; (iv) provision of an

appropriate number of on-site construction worker parking spaces; (v) certain issues pertaining to noise mitigation, including use of equipment with the noise levels described in the FEIS, scheduling work to reduce night time and weekend noise, use of electrical powered equipment where feasible, location of noisy equipment away from the site perimeter, maintenance of noise barriers, use of quiet construction procedures, maintenance of noise mufflers and use of noise curtains; (vi) provision of double-glazed windows and alternative ventilation for certain residential locations; (vii) provision of storm windows for certain windows of the Pacific Branch of the Brooklyn Public Library and the Temple of Restoration; (viii) the construction-related air quality impact avoidance measures; and (ix) rodent control;

- protection of cultural resources near the Project site from being impacted by construction on the Project site, as required by the Letter of Resolution;
- review of the effectiveness of any modified design for stormwater management facilities;
- review of fuels or boiler technologies other than those described in the FEIS;
- review any proposed changes in the location of HVAC intakes in the event that the design of the relevant Project buildings changes from the design subject to air dispersion modeling in the FEIS and/or SEIS; and
- review of adjustments to optimize the effectiveness of demand management measures to limit automobile traffic in connection with arena operations.

V. CONTRACT – NEED FOR AMENDMENT; PRICE AND FUNDING

The original contract, initiated in June 2007, assumed that construction of the Project would be completed in ten years, hence the contract term established at that time. While considerable progress has been made on constructing the Project, completing the Project in ten years will not be realized. Currently, in addition to the arena and a new subway entrance, four residential buildings have been completed and have tenants. There are also two parcels on which excavation has begun for residential buildings, one containing a school. In addition, construction in the railyard to support six residential buildings is well underway.

In light of this construction activity, there is clearly a need to continue monitoring the required environmental commitments. Although it was evident at the time of the preparation of the SEIS that the maximum ten year term of HDR's contract would expire before Project completion, ESD staff had assumed a new procurement process would be undertaken nearing the time of the contract's expiration.

It remains ESD's intent to hold a competitive solicitation for the next phase of Project construction and mitigation monitoring. ESD staff feels it is prudent to seek authorization for a

one year extension with one option to renew for one year at this time to maintain the services of HDR until phasing of the remaining Project construction can be better defined. ESD staff anticipates that once the Project construction schedule information necessary for issuing an adequate competitive solicitation is provided, a new RFP will be issued. Until such time, ESD believes the Project is best served by maintaining HDR as the mitigation monitor by extending its current contract.

The contract is billed on a time and materials basis, with an allowance for an annual escalation of the Consumer Price Index (CPI) + 2%, provided that the escalation does not exceed the actual labor rate for any employee performing work under the contract. The contract originally was approved for \$360,000 in 2007, its first year, and has been renewed on an annual basis. It has been renewed for \$500,000 per year since 2012, to a total current contract value of \$4,645,000. This amendment would increase the contract amount to \$5,645,000.

ESD will continue to be reimbursed by the Project developer for all contractual costs incurred under the contract with HDR. ESD has never advanced any funds during the term of the current contract and is not anticipated to advance any funds for the proposed contract extension.

VI. RESPONSIBLE PARTY

Staff has examined the proposed contractor's "responsibility" as defined in State Finance Law §163, and as provided in ESD's Procurement Guidelines. Based on this analysis of financial and organizational capacity, legal authority to do business in New York, integrity of principals, and past performance on contracts, staff concludes that the proposed contractor is a responsible vendor.

VII. ENVIRONMENTAL REVIEW

Staff has determined that the requested authorization to extend the term of HDR's contract constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations promulgated by the NYS Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VIII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

ESD's Non-Discrimination and Contractor & Supplier Diversity policies apply to the Contract. HDR is 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 is 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.

IX. AYCDC RECOMMENDATION

Directors of the Atlantic Yards Community Development Corporation (AYCDC), ESD's subsidiary charged with advising the Corporation on the Project, voted on March 27, 2018 to recommend the extension of the contract with HDR for mitigation monitoring services.

X. REQUESTED ACTION

The Directors are requested to authorize (i) an extension of the contract with HDR for owner's representative services for mitigation monitoring for an additional one (1) year with an option to renew for an additional one (1) year, exercisable in the Corporation's discretion, and (ii) to increase the contract amount by a maximum of \$500,000 per year for the base term and the additional option year, to a new maximum contract amount not to exceed \$5,645,000.

XI. RECOMMENDATION

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

XII. ATTACHMENT

Resolution

April 19, 2018

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Atlantic Yards Land Use Improvement and Civic Project - Authorization to Amend the Contract with Henningson, Durham & Richardson, Architecture and Engineering, P.C. to Continue to Provide Mitigation Monitoring Consulting Services; and Authorization to Take Related Actions

RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), the Corporation hereby finds the firm of Henningson, Durham & Richardson, Architecture and Engineering, P.C. ("HDR") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend its existing contract with HDR to add an additional one (1) year to the base term of the contract plus an option for a one (1) year extension, exercisable in the Corporation's discretion, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the Corporation is hereby authorized to further amend its existing contract with HDR to increase the contract amount by a maximum of Five Hundred Thousand Dollars (\$500,000) per year for each of the one (1) year base term extension and the additional one (1) year option term, for a new maximum contract amount of Five Million Six Hundred Forty-Five Dollars (\$5,645,000); and be it further

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

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FOR CONSIDERATION

April 19, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: RiverBend Project – (Buffalo - Erie County) - Contract for Consulting Services

REQUEST FOR: Authorization to Amend a Contract for Consultant Services Relating to the RiverBend Project; Delegation of Authority; and Authorization to Take Related Actions

CONTRACT NEED AND JUSTIFICATION

I. CONTRACT SUMMARY

Contractor: Baer & Associates, LLC (“Baer” or the “Consultant”)

Scope of Services: Unchanged. Consultant will continue to review invoices paid out of grant funds (AA613) to Fort Schuyler Management Corporation (“FSMC”) for the RiverBend project in Buffalo, New York

Original Contract Term: April 1, 2017 – March 31, 2018

Amended Contract Term: One additional year to March 31, 2019

Contract Amount: Contract amount \$115,000

Funding Source(s): Corporate Funds.

II. BACKGROUND

In April of 2016, the ESD Director’s approved a grant of up to \$485.5 million to FSMC to be used for real estate acquisition, planning and design, construction, machinery and equipment costs (including delivery and installation), site improvement costs, utilities, site infrastructure, and remediation for the RiverBend Project in Buffalo. This project involves the construction of a 1.2-million-square-foot facility to house the largest solar panel factory in the Western Hemisphere that is being operated by Tesla. Construction of the building is completed and

solar panel manufacturing has begun. Installation of tooling and equipment is on-going and as such, payments for project related expenses are continuing.

After ESD Board approval and the required public hearing on the project, the grant was approved by the Public Authorities Control Board (“PACB”). That approval however, was conditioned on all grant payments be subject to a third-party review. The Consultant has been completing this review in compliance with the PACB requirements. Considering payments are still being made on the project, the services of the Consultant will be needed beyond the initial one-year term which necessitates Board approval pursuant to ESD’s procurement guidelines.

III. CONTRACTOR SELECTION PROCESS

Baer was originally selected in April of 2017 based on previous work completed on the project and as the result of quotes received from consultants providing construction cost oversight. At the time of the original agreement, it was expected that the cost of the work would not exceed \$40,000. Due to the amount of time required by the Consultant in reviewing the various invoices and payments being paid from the grant funds, the contract with Baer was amended in September of 2017 to increase the contract amount to \$115,000. That contract amendment was entered into pursuant to a Contract Reporter Exemption as the scope continued the work Baer was already engaged in for ESD. The proposed amendment will not increase the contract amount but will extend the term of the contact one year to March 31, 2019, unless further extended by President of the Corporation, pursuant to a delegation of authority to the President for this purpose also being requested.

Baer & Associates, LLC has been in business over 40 years and are experts in all aspects of project construction costs. The firm provides a wide range of services in the construction industry including cost estimating, value engineering options, comparative cost studies and other related construction cost consulting services for all types of projects.

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.

IV. SCOPE OF WORK

Pursuant to the resolution of the Public Authorities Control Board, the Consultant will review for approval all project payments made on the RiverBend project pursuant to ESD grant AA613.

V. CONTRACT TERM, PRICE AND FUNDING

The amended contract term is expected to be increased from twelve months to twenty-four months for an unchanged total contract amount not to exceed \$115,000 starting April 1, 2017

and ending March 31, 2019, unless further extended by the President of the Corporation. The source of funding for the contract will be ESD corporate funds.

VI. DELEGATION OF AUTHORITY

The Directors are requested to authorize the President and Chief Executive Officer to further extend the term of this contract as may be needed until the Project is completed and a final disbursement is made.

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 businesses (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.

VIII. ENVIRONMENTAL REVIEW

Pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the RiverBend project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of June 27, 2014 and affirmed the determination at their meeting of May 18, 2015. These determinations addressed all aspects of the proposed project. Therefore, 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 Consultant; (2) authorize the Corporation to enter into an amended contract with the Consultant for a term of two-years at an amount not to exceed \$115,000; and (3) take all related actions.

X. RECOMMENDATION

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

Attachment
Resolution

April 19, 2018

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – RiverBend Project - (Buffalo – Erie County) - Contract for Consulting Services - Authorization to Enter into an Amended Contract for Consultant Services Relating to the RiverBend Project; Delegation of Authority; 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 Baer & Associates, LLC to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend its contract with Baer & Associates, LLC to extend the term thereof by one year, to March 31, 2019; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation be, and he hereby is, authorized to further extend this contract as may, in his discretion, be deemed necessary or advisable until the Project is complete and a final disbursement of Corporation grant funds is made; and be it further

RESOLVED, that except as set forth herein, the contract shall remain in full force and effect; and be it further

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

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