

NYS Urban Development Corporation Meeting

37th Floor Conference Room

Thursday, 8/16/2018

9:30 - 11:30 AM ET

I. Corporate Action

A. Resolution in Memory of Eileen McEvoy

Resolution In Memory of Eileen McEvoy - Page 6

B. Approval of Minutes of the July 19, 2018 Directors' Meeting

071918 Draft ESD Minutes - Page 7

Oral Reports

A. President's Report

B. Loans and Grants - Summary of Projects

II. Projects

A. Various Counties (Central New York Region) – Alliance for Economic Inclusion Fund Capital and Working Capital – Upstate Revitalization Initiative (Capital and Working Capital Grant) Presented By:

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

Alliance for Economic Inclusion Fund Capital - Page 60

B. Norwich (Southern Tier Region – Chenango County) – Unison Revitalization Capital – Upstate Revitalization Initiative (Capital Grant) Presented By:

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

Unison Revitalization Capital - Page 71

C. Regional Council Award – Priority Project - Binghamton (Southern Tier Region – Broome County) – Binghamton Precast & Supply Capital – Regional Council Capital Fund (Capital Grant) Presented By:

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

Binghamton Precast and Supply Capital - Page 83

Binghamton Precast and Supply Capital Photographs - Page 95

D. Regional Council Award – Priority Project – Watkins Glen and Montour Falls (Southern Tier Region – Schuyler County) – Schuyler County Project Seneca Phase 1 Capital – Regional Council Capital Fund (Capital Grant) Presented

By:

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

Schuyler County Project Seneca Phase 1 Capital - Page 97

E. Regional Council Award–Priority Project–Watkins Glen (Southern Tier Region–Schuyler County)–Schuyler County Wine Production Capital–Upstate Revitalization Initiative, Economic Transformation Program, and Regional Council Capital Fund (Capital Grants)

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

Schuyler County Wine Production Capital - Page 106

F. Regional Council Award - Potsdam (North Country Region – St. Lawrence County) – Jeffords Steel Improvement Capital – Regional Council Capital Fund (Capital Grant) Presented By:

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

Jeffords Steel Improvements Capital - Page 120

G. Regional Council Award - Priority Project - Tuxedo Park (Mid-Hudson Region – Orange County) – Tuxedo Sloatsburg Corridor Revitalization Capital – Regional Council Capital Fund (Capital Grant) Presented By:

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

Tuxedo Sloatsburg Corridor Revitalization Capital - Page 132

Tuxedo Sloatsburg Corridor Revitalization Capital Photographs - Page 145

H. Rome (Mohawk Valley Region - Oneida County) – City of Rome Riverwalk Village Capital – Economic Transformation Fund (Capital Grant) Presented By:

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 Action; Determination of No Significant Effect on the Environment

City of Rome Riverwalk Village Capital - Page 148

I. Pavilion (Finger Lakes Region – Genesee County) – WNY Cheese Enterprise Capital - Upstate Revitalization Initiative (Capital Grant) Presented By:

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

WNY Cheese Enterprise Capital - Page 158

J. New NY Broadband Program – Phase 3 Awards, New NY Broadband 2015-16 Capital Fund – Consent Calendar

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

A. Clarity Fiber Solutions, LLC – Cortland Chenango FTTH Broadband Capital (Various Counties) - \$12,391,484

B. Clarity Fiber Solutions, LLC – Tompkins FTTH Broadband Capital (Tompkins County) - \$1,243,190

C. DTC Cable, Inc. – DCBI Broadband Capital (Various Counties) - \$5,329,453

D. Edwards Telephone Company, Inc. (d/b/a TDS Telecom) – Edwards Tel NY BB Phase III Broadband Capital (St. Lawrence County) - \$918,387

E. Germantown Telephone Company (d/b/a Gtel Teleconnections) – Phase 3 Unserved Gtel Out of Territory Broadband Capital (Columbia County) - \$28,109

F. Haefele TV, Inc. – Haefele TV Phase 3 Unserved Broadband Capital (Various Counties) - \$1,619,345

G. John R. Guzzo, LLC (d/b/a Hudson Valley Wireless) – Connecting the Capital District Phase 3 (Unserved Broadband Capital (Various Counties) - \$2,710,497

H. Mid-Hudson Data Corp. – Phase III Unserved Broadband Capital (Various Counties) - \$3,649,999

I. Otsego Electric Cooperative, Inc. (d/b/a Otsego Rural Broadband) - Otsego Rural Broadband Phase 3 Broadband Capital (Various Counties) - \$1,440,693

J. The Middleburgh Telephone Company (MIDTEL) – Round 3 MIDTEL Unserved Broadband Capital (Albany County) - \$2,318,108

New NY Broadband Program - Page 170

K. Statewide – Restore New York Communities – Capital Grant Presented By: Land Use Improvement Findings and Determinations Pursuant to Section 10(c), 10(g) and 16-n of Act; Authorization to Adopt the Proposed General project Plans; Authorization to Make Grants and Take Related Actions; Determination of No Significant Effect on the Environment

A. City of Oswego - Oswego Harbor Revitalization Restore II (Oswego County) - \$1,500,000

B. City of Middletown - Middletown Community Campus Restore IV (Orange County) - \$500,000

C. City of Lockport – Tuscarora Club Restore IV (Niagara County) - \$500,000

D. Village of Holley – Holley Gardens Restore V (Orleans County) - \$1,000,000

Restore NY Communities Capital Grants - Page 324

III. Non-Discretionary Projects Consent Calendar

Findings and Determinations Pursuant to Section 10(g) of the act; Adoption of General Project plans; Authorization to Make Grants and Take Related Actions

A. Local Assistance (Senate) - North Country Family Health Center Capital and Working Capital – North Country Family Health Center (Jefferson County) - \$300,000

Non-Discretionary Consent Calendar - Page 359

IV. Empire State New Market Corporation

A. Hornell, NY (Southern Tier Region – Steuben County) – Hornell Medical Village - St. James Hospital Medical Office Building Fit Out (the “Project”)

Findings and Determinations Pursuant to Sections 12 and 10(g) of the New York State

Urban Development Corporation Act, as Amended (the "Act"); Authorization to Prioritize and Approve the Project, Adopt and Ratify Empire State New Market Corporation ("ESNMC") Board Findings and General Project Plan; Determination of No Significant Effect on the Environment and Take Related Actions

Hornell Medical Village - Page 367

Hornell Medical Village-ESNM Board Materials dated 080818 - Page 375

B. Schenectady, NY (Capital District Region – Schenectady County) – Boys & Girls Club of Schenectady (the "Project")

Findings and Determinations Pursuant to Sections 12 and 10(g) of the New York State Urban Development Corporation Act, as Amended (the "Act"); Authorization to Prioritize and Approve the Project, Adopt and Ratify Empire State New Market Corporation ("ESNMC") Board Findings and General Project Plan; Determination of No Significant Effect on the Environment and Take Related Actions

Boys and Girls Club of Schenectady - Page 387

Boys and Girls Club of Schenectady-ESNM Board Materials dated 080818 - Page 395

V. Entrepreneurial Assistance Program

A. Statewide – Entrepreneurial Assistance Program ("EAP") - Training and Technical Assistance Grants

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

Entrepreneurial Assistance Program - Page 407

VI. New York Ventures

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

Authorization of an Investment of NYSIVCF Funds in ENB Therapeutics

NYSIVCF - ENB Therapeutics - Page 437

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

Authorization of an Investment of NYSIVCF Funds in Kinolved, Inc.

NYSIVCF - Kinolved Inc - Page 444

VII. Market Order Program

A. Contract for Marketing and Promotion Services of the New York State Apple Industry Through the New York Apple Association, Inc.

Authorization to Enter into a Contract for Marketing and Promotion Services of the New York State Apple Industry Relating to the Marketing Order Program; and Authorization to Take Related Actions

MOP-New York Apple Association Inc. - Page 450

VIII. Administrative Actions

A. New York (New York County) – One Bryant Park Land Use Improvement Project

Authorization to Extend the Contract with Shearman & Sterling, LLP to Provide for Legal Services; Authorization to Take Related Actions

One Bryant Park Legal Services Contract - Page 457

IX. For Information

A. Fiscal Year 2018-19 Budget Variance Report (First Quarter)

Budget Variance Report Cover Memo-First Quarter - Page 461

Subsidiary Operating Budget Summary Variance Report-First Quarter - Page 462
Subsidiary Capital Budget Variance Report-First Quarter - Page 463
Departmental Budget Variance Report-First Quarter - Page 464

August 16, 2018

**RESOLUTION
IN MEMORY OF EILEEN MCEVOY**

WHEREAS, Eileen McEvoy ably served the New York State Urban Development Corporation for over 35 years, starting as a paralegal in 1983 and from 1990 in the critical and demanding position of Corporate Secretary; and

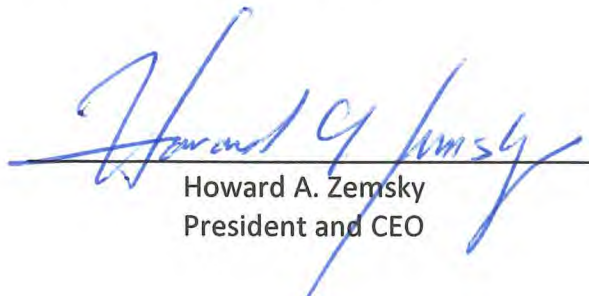
WHEREAS, Ms. McEvoy's responsibilities included not only the Corporation but numerous affiliates and subsidiaries; and

WHEREAS, Ms. McEvoy's work involved scheduling meetings, overseeing the preparation of board materials, managing board members appointments and terms in office, and compliance with a changing landscape of laws and regulations; and

WHEREAS, Eileen McEvoy personified the highest values embraced by the Corporation with her knowledge, skill, good judgment, professionalism and collegiality, focusing always on the smooth and efficient functioning of corporate matters and always with a chuckle and a sense of humor that was infectious; and

WHEREAS Ms. McEvoy leaves a legacy not only of highly developed policies and protocols, but of hard work, integrity and friendship;

NOW THEREFORE, BE IT RESOLVED, that the Corporation hereby expresses its deep and abiding gratitude and appreciation for Eileen McEvoy's long and faithful service and her tremendous contributions to the Corporation and the entire State of New York, and extends to her family our deepest sympathy.


Howard A. Zemsky
President and CEO

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NEW YORK STATE URBAN DEVELOPMENT CORPORATION

d/b/a Empire State Development
Meeting of the Directors
New York City Regional Office
633 Third Avenue
37th Floor Conference Room
New York, New York 10017

July 19, 2018

MINUTES

In Attendance

Directors:

Howard A. Zemsky (Acting Chair)
Derrick Cephas
Eric Gertler
Cesar Perales
Heather McArn - Designee - Superintendent (New York State
Department of Financial Services)

Present for ESD:

Samantha Baldock, Director – Regional Initiatives
Kelly Baquerizo, Business Marketing Program Analyst
Simone Bethune, Project Manager
Maria Cassidy, Deputy General Counsel
John Discolo, Director - Procurement
Elizabeth Fine, Executive Vice President, Legal and General
Counsel
Sonia Gulati, Assistant Director – Innovation and Broadband
Peter Heilbrunn, Assistant Treasurer – Debt Management
Donna Howell, Director – Southern Tier Regional Office
Elaine A. Kloss, Chief Financial Officer
Benson Martin, Director of Compliance
Glendon McLeary, Vice President – Economic Incentives
Maria Mitchell, Senior Vice President – Life Sciences
Kathleen Mize, Deputy Chief Financial Officer and Controller
Richard Newman, Executive Vice President – State Marketing
Strategy
Jeffrey Nordhaus, Executive Vice President – Innovation and
Broadband
Laura Rogers, Associate Counsel
Debbie Royce, Assistant Corporate Secretary
Bette Yee, Director – Entrepreneurial Assistance Program
Kevin Younis, Chief Operating Officer

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Also Present: Craig Alfred, Assistant Counsel
James Fayle, Director – Central New York Regional Office
Steve Golding – Finger Lakes Regional Office
Barry Greenspan – Long Island Regional Office
Saul Maneiro – Finger Lakes Regional Office
Meghan Taylor, Director – Mid-Hudson Regional Office

Also Present: Arvind Gupta, CEO of SOVS in California
Theresa Mazzullo, CEO of Excell
Dr. Jill Taylor, Director of Wadsworth Center
The Press
The Public

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:39 a.m. by Acting Chair Zemsky. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, the Acting Chair set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda.

Acting Chair Zemsky then welcomed Eric Gertler, the newest Director to ESD’s Board.

Director Gertler thanked Acting Chair Zemsky and noted his excitement to joining the ESD team.

Acting Chair Zemsky then called for a motion to approve the Minutes of the June 28,

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2018 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JUNE 28, 2018 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on June 28, 2018, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair then called on Peter Heilbrunn to present the ESD Investment Report and Investment Guidelines item on the Agenda for the Directors’ consideration.

Mr. Heilbrunn explained that the Public Authorities Law requires annual approval of the investment report and the report details, the investment guidelines, results of the annual audit and the investment performance for the fiscal year.

Mr. Heilbrunn also noted that there were no recommended changes to the investment guidelines and that the auditors did not identify any deficiencies in the internal control over investment compliance.

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

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unanimously adopted:

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

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

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

WHEREAS, the Corporation has prepared the Report for the fiscal year ended March 31, 2018; and

WHEREAS, the Corporation adopted Guidelines in 1984 which have been amended and were most recently approved by the Corporation on July 27, 2017; and

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

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

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

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

* * *

The Acting Chair then gave the President’s Report highlighting various projects throughout the State.

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Acting Chair Zemsky then called on Jeff Nordhaus to give a Powerpoint presentation on the Broadband Program and the Round III awards.

Mr. Nordhaus explained that the Round III awards involve of 20 projects with ten companies, representing a commitment of \$165 million in total State grant funding through the New York State Broadband Program.

Mr. Nordhaus explained that the projects being considered today will leverage \$86.7 million in private sector matching grants and \$63 million from the Federal Communications Commission (“FCC”), resulting in \$314 million of combined total broadband investment.

Mr. Nordhaus also explained that in addition to the 20 Round III projects being considered, there was one Round II project for \$308,000 in State funding to address 400 unserved locations in the North Country. He also noted that this project was held pending refinement of the company’s original proposal to ensure that they were targeting all of the unserved areas.

Lastly, Mr. Nordhaus noted that the remaining Round III projects will be presented in upcoming meetings.

Following the full presentation, Acting Chair Zemsky called for questions or comments. Director Perales noted that since State funding is being approved, there is an assumption that

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all of the projects will have matching funds from the private sector.

Mr. Nordhaus explained that there is a minimum private sector match and FCC funds that they receive. He also explained that the work is completed before any funds are disbursed through reimbursements.

Lastly, Mr. Nordhaus noted that they have retained an outside engineering firm to conduct onsite validations to check the maps and to conduct speed tests to make sure the work is done.

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

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

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

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

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

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

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

New NY Broadband Program – 2015-16 Capital Fund

	PTS #	Grantee	Project Name	Region	Grant Amount
A	AC802	Armstrong Telecommunications, Inc.	ATI Phase 3 Area 1 Broadband Capital	Western NY, Finger Lakes, and Southern Tier	\$11,261,414
B	AC803	Armstrong Telecommunications, Inc.	ATI Phase 3 Area 3 CAF Broadband Capital	Western NY, Finger Lakes, and Southern Tier	\$19,092,478
C	AC812	DTC Cable, Inc.	DCBI Phase IV CAF Broadband Capital	Southern Tier and Mohawk Valley	\$3,861,077
D	AC815	Germantown Telephone Company (d/b/a Gtel Teleconnections)	Phase 3 CAF GTel Out of Territory Broadband Capital	Capital Region	\$854,652
E	AC817	Haefele TV Inc.	Haefele TV Phase 3 CAF Broadband Capital	Southern Tier and Central NY	\$1,308,193

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F	AC818	Heart of the Catskills Communications Inc. (d/b/a MTC Cable)	Central Catskills Initiative Broadband Capital	Mohawk Valley, Capital District, Mid-Hudson, and Southern Tier	\$4,877,133
G	AC858	Hughes Network Systems, LLC	CAF Broadband Capital	Western NY, Mid-Hudson North Country, Capital District, Central NY, Finger Lakes Mohawk Valley and Southern Tier	\$7,026,075
H	AC820	Mid-Hudson Data Corp	Phase III CAF Broadband Capital	Capital District	\$824,126
I	AC824	Otsego Electric Cooperative, Inc. (d/b/a Otsego Rural Broadband)	Otsego Rural Broadband Phase 3 CAF Broadband Capital	Mohawk Valley	\$4,298,623
J	AB973	Slic Network Solutions, Inc.	Keene Broadband Capital	North Country	\$308,760
K	AC825	Slic Network Solutions, Inc.	Nicholville Broadband Capital	North Country	\$1,370,200
L	AC826	Slic Network Solutions, Inc.	North Country East Broadband Capital	Capital District and North Country	\$18,492,929
M	AC827	Slic Network Solutions, Inc.	Warren County Broadband Capital	Capital District	\$6,139,350
N	AC834	Verizon New York Inc.	Verizon North County Unserved Broadband Capital	North Country	\$29,691,952
O	AC835	Verizon New York Inc.	Verizon Capital and Mohawk Valley Unserved Broadband Capital	Capital District and Mohawk Valley	\$6,045,537
P	AC836	Verizon New York Inc.	NYSBB CAF Broadband Capital	North Country, Mohawk Valley Region, Capital Region, Central NY Region, and Southern Tier	\$49,532,881

and be it further

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

* * *

Before turning the meeting over to Glendon McLeary, Acting Chair Zemsky noted a recent trip taken to Albany to celebrate the 15-year anniversary of the relationship between Tokyo Electron and IBM, which was the beginning of SUNY Poly.

Acting Chair Zemsky noted that because of the partnerships between ESD, Tokyo Electron, IBM, Global Foundries and Lamb Research, New York State is one of the few and most significant centers for the semiconductor industry around the world.

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

Mr. McLeary noted that the Directors will be asked to consider 30 projects totaling \$210,620,233 in grants, including, 7 Regional Council awards and 24 discretionary awards.

Mr. McLeary further explained that these projects will take place across various New

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York State regions and will leverage over \$335 million of additional investments, retain 1,898 jobs and create 240 jobs in the State.

Next, Acting Chair Zemsky called on Steve Golding and Saul Maniero, representing the Finger Lakes Regional Office to present the next four items on the Agenda for the Directors' consideration.

Mr. Golding began by presenting the first two projects.

The first project Mr. Golding presented involved an Upstate Revitalization Initiative grant to Excell Technologies Ventures in the amount of \$25 million to be used for a portion of the cost of establishing a Regional Venture Capital and Investment Fund.

Mr. Golding explained that the fund will provide late seed to early venture stage capital investments to high tech industries, such as advanced manufacturing, life and material sciences, optics, photonics and imaging in the nine-county Finger Lakes region.

Mr. Golding noted that Excell invests in early stage high tech startups in Upstate New York and further noted that Excell has over \$14 million under its management and has invested in over 48 companies across multiple industry sectors, leveraging over \$322 million in additional capital raised.

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Mr. Golding also explained that as a result of Excell’s investment 430 jobs will be created with an average salary of \$70,000 and that Excell was selected to manage a \$2 million statewide MWBE Business Investment Fund.

The Acting Chair noted that Theresa Mazzullo, the CEO of Excell is on the telephone and asked Ms. Mazzullo to talk about Excell and the environment for venture funding.

Ms. Mazzullo gave a brief history of Excell, noting various communities and universities in which they have invested in.

Next, the Acting Chair called on Mr. Golding to present the next item on the Agenda for the Directors’ consideration.

Mr. Golding explained that the Directors are being asked to approve an Empire State Economic Development Fund grant in the amount of \$350,000 to Ambrell Corporation to be used to expand into a larger facility in the City of Rochester.

Mr. Golding noted that the Company considered relocating and that ESD funding was integral in their decision to stay and expand in New York State, which has resulted in the retention of 65 jobs and the creation 9 jobs.

Lastly, Mr. Golding noted that the project was completed in April of 2018.

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Next, the Acting Chair called on Saul Maniero to present the next two projects on the Agenda.

The first project Mr. Maniero presented, involved an Upstate Revitalization Initiative to Danisco USA in the amount of \$1.5 million to be used to construct a new 48,000 square-foot building expansion for the installation of storage tanks at the Eastman Business Park in Rochester.

Mr. Maniero noted that the construction of the expansion has been completed and that 56 jobs have been retained and 48 new jobs created.

The next project Mr. Maniero presented, involved a Regional Council Capital grant to the Rochester Institute of Technology (“RIT”) in the amount of \$2.6 million to be used to renovate the historic Rochester Savings Bank building in downtown Rochester to convert it to their new Center for Urban Entrepreneurship, also known as the CUE Center.

Mr. Maniero noted that the Center will provide business incubator services and office space to start-up companies.

Following the full presentation of all four projects, Acting Chair Zemsky called for questions or comments. Director Gertler asked in reference to the Excell Technologies project,

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if the entire \$25 million is from the State or if there are other funds.

Mr. Golding explained that ESD is the full funder of this project. Mr. Younis noted that this is a two to one match for any project minimum of \$1.2 million on the investment.

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

Rochester (Finger Lakes Region – Monroe County) – Excell Technology Ventures URI Working Capital – Upstate Revitalization Initiative (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 Excell Technology Ventures URI Working Capital -- Upstate Revitalization Initiative (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, 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Excell Technology Ventures, Inc. a grant for a total amount not to exceed Twenty-Five Million Dollars (\$25,000,000) from the Upstate Revitalization Initiative, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the 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

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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.

* * *

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

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been

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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 Ambrell Corporation a grant for a total amount not to exceed Three Hundred Fifty Thousand Dollars (\$350,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

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

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

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

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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 Danisco USA Inc. a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Upstate Revitalization Initiative, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer 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.

* * *

Rochester (Finger Lakes Region – Monroe County) – Danisco DuPont Capital – Upstate Revitalization Initiative (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe

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County) – Rochester Institute of Technology CUE Capital – Regional Council Capital Fund and State and Municipal Facilities Program (Capital Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Rochester Institute of Technology grants for a total amount not to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000) from the Regional Council Capital Fund and Special Appropriation State and Muni Facilities Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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necessary or proper to effectuate the foregoing resolutions.

* * *

Acting Chair Zemsky then called on Donna Howell, the Director of ESD’s Southern Tier Regional Office to present the next two items on the Agenda for the Directors’ consideration.

The first project Ms. Howell presented, involved an increase to an Empire State Economic Development Fund grant to Cornell Industrial Hemp Working Capital in the amount of \$19,343. The adjustment is due to differences in the final seed pricing and revisions to the final payout or payment and policies for the program through the Department of Agriculture and Markets.

Ms. Howell explained that the original grant to Cornell University in the amount of \$900,000 was approved on July 27, 2017.

Ms. Howell also explained that the grant approved was for the cost of conducting research on the viability of industrial grade hemp as a marketable commodity in New York State, which included the cost of purchasing industrial hemp seed and contracting of farmers to plant, cultivate and harvest the hemp on 1,700 acres of farmland.

The second project Ms. Howell presented, which is a continuation of the previous project, involved an Empire State Economic Development Fund grant to Cornell University in the amount of \$2 million to be used for capital and working capital expenses associated with

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the research and development of the industrial hemp seed breeding program.

Ms. Howell further explained that this project will facilitate the production of certified seed in New York State and will produce varieties of industrial hemp adapted to New York conditions, specifically aimed at emerging markets for high valued culinary oils, renewable fiber products, and health and wellness products.

Following the full presentation of both projects, the Acting Chair called for questions or comments. Director Perales asked how long New York State has been looking into the hemp industry and where we are in its production.

Ms. Howell stated that the State started looking into the hemp industry a year and a half ago and it is still early on in the process because a full growing season is needed to determine what types of hemp will grow best in New York's climate.

Director Gertler asked if this has been successful in other State's, like Kentucky.

Ms. Howell stated that Kentucky is looked at as a model only because they legalized the hemp industry.

Lastly, Ms. Howell noted that we cannot grow what works in Kentucky because their climate and soil is different from New York State.

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

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Cornell Industrial Hemp Working Capital -- Empire State Economic Development Fund - Competitiveness Improvement Program (Working Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Cornell University a grant for a total amount not to exceed Nine Hundred Thousand Dollars (\$900,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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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.

* * *

Ithaca (Southern Tier Region – Tompkins County) – Cornell Seed Breeding Capital and Working Capital – Empire State Economic Development Fund – General Development Financing (Capital and Working Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that the 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

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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 Cornell University a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Acting Chair Zemsky then called on James Fayle, the Director of ESD’s Central New York Regional Office to present the next two items on the Agenda for the Directors’ consideration.

The first project Mr. Fayle presented, involved the approval of an Upstate Revitalization Initiative grant to Welch Allyn in the amount of \$6 million to be used for the construction of a 105,000 square-foot warehouse and distribution facility, as well as to retrofit a 15,000 square-

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foot space to continue research and design.

Mr. Fayle noted that the project was approved in December of 2016, completed in May of 2018, and resulted in the retention of 884 jobs and the creation of 109 jobs.

The second project Mr. Fayle presented, involved a Regional Council Capital grant to SUNY Upstate Medical University in the amount of \$1,950,000 to be used to equip and construct 11 of 18, 1,000 square-foot laboratories to allow their scientists to focus on bioscience and research and design.

Mr. Fayle noted that the total project cost was \$26 million and that it was completed in December of 2016.

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

Skaneateles Falls (Central New York Region - Onondaga County) – Welch Allyn Capital – Upstate Revitalization Initiative (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Welch Allyn Capital -- Upstate Revitalization Initiative (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced

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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 Welch Allyn, Inc. a grant for a total amount not to exceed Six Million Dollars (\$6,000,000) from the Upstate Revitalization Initiative, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Skaneateles Falls (Central New York Region - Onondaga County) – Welch Allyn Capital – Upstate Revitalization Initiative (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Welch Allyn Capital Project, the Corporation hereby determines that the proposed action will not have

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a significant effect on the environment.

* * *

Regional Council Award –Priority Project – Syracuse (Central New York Region – Onondaga County) – SUNY Upstate Medical University – CNY Biotechnology Accelerator Buildout 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 SUNY Upstate Medical University – CNY Biotechnology Accelerator Buildout Capital -- Regional Council Capital Fund Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to SUNY Upstate Medical University a grant for a total amount not to exceed One Million Nine Hundred and Fifty Thousand Dollars (\$1,950,000) 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

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approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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

* * *

Next, Acting Chair Zemsky called on Barry Greenspan from ESD’s Long Island Regional Office to present the next item on the Agenda for the Directors’ consideration.

Mr. Greenspan explained that the Directors are being asked to approve an Empire State Economic Development Fund grant to Quality King Distributors in the amount of \$675,000 to be used for the renovation of 10,000 square-feet within the Bellport complex to accommodate new office uses and higher wage jobs.

Mr. Greenspan noted that the full investment has been made and 47 jobs have been created.

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

Regional Council Award – Bellport (Long Island Region– Suffolk County) – Quality King Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Quality King Distributors, Inc. a grant for a total amount not to exceed Six Hundred and Seventy Five Thousand Dollars (\$675,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *

The Acting Chair then called on Meghan Taylor, the Director of ESD’s Mid-Hudson Regional Office to present the next item on the Agenda for the Directors’ consideration.

Ms. Taylor explained that the Directors are being asked approve an Empire State Economic Development Fund grant to White Plains Aviation Partners in the amount of \$1 million to be used for the expansion of their West Harrison location in Westchester County.

Ms. Taylor noted that the construction will retain 27 existing jobs and will create an additional 27 net new jobs.

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

West Harrison (Mid-Hudson Region – Westchester County) – White Plains Aviation Partners Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and

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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 White Plains Aviation Partners Capital -- Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

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

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

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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.

* * *

West Harrison (Mid-Hudson Region – Westchester County) – White Plains Aviation Partners Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

The Acting Chair then called on Kelly Baquerizo to present the Market New York Program item on the Agenda for the Directors' consideration.

First, Ms. Baquerizo noted that there were two Market New York projects being considered.

The first award Ms. Baquerizo presented, involved a grant in the amount of \$382,500 to the New York State Tourism Industry Association (“NYSTIA”) to be used to increase international tourism visitation to Upstate New York.

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The second award Ms. Baquerizo presented, involved a grant in the amount of \$300,000 to Discover Long Island, formerly known as the Long Island Convention and Visitor Bureau to be used to expand its current partnership with New York City and Company, which is New York City's official marketing tourism and partnership organization by entering into the Canadian and Australian market, while continuing with its existing international reach into the United Kingdom and Germany.

Following the full presentation, the Acting Chair called for questions or comments. Director Cesar questioned how effective New York's tourism efforts are and if they are better this year than last.

Acting Chair Zemsky noted that New York's tourism industry is the fourth largest employment sector in the State with an over \$100 billion dollar economic impact on an annual basis.

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

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

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

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Projects identified below (the “Projects”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

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

Market New York Program

	Project Name	Proj #	Grantee	Assistance up to
	Market NY Program			
A	NYS International Marketing Initiative Working Capital	AC682	New York State Tourism Industry Association	\$382,500
B	Discover Long Island Marketing Partnerships Working Capital	AC658	Discover Long Island	\$300,000
	TOTAL MARKET NY PROJECTS - 2		TOTAL	\$682,500

and be it further

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

* * *

The Acting Chair then called on Simone Bethune to present the Restore New York Communities item on the Agenda for the Directors’ consideration.

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First, Ms. Bethune noted that there were two Restore New York projects being considered.

The first award Ms. Bethune presented, involved a \$2,000,000 grant to the City of Syracuse to be used to renovate four vacant properties for redevelopment into mixed use facilities.

Ms. Bethune explained that the selected sites were chosen due to their blighted and vacant status in the midst of other completely renovated buildings. She also noted that the project will be completed in December of 2019, at a cost of approximately \$13.2 million.

The second award Ms. Bethune presented, involved a \$1,000,000 grant to the Village of Waverly for renovations of the former Village Hall.

Ms. Bethune explained that the building was purchased by Tioga Development in 2012 and that the first two floors have already been renovated. Tioga plans to create three residential apartments on the third floor and perform extensive renovations of the interior and exterior of the building.

Lastly, Ms. Bethune noted that the project is expected to be complete in April of 2019, at a cost of approximately \$1.1 million.

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

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

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

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

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

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

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plans, such Plans shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a to grant to the party and for the amount listed below from Restore NY

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Communities, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

Restore New York Communities Initiative Program – Project Summary Table

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	City of Syracuse	City of Syracuse – Urban Gateway RESTORE IV	AB799	\$2,000,000	Syracuse	Onondaga County
B	Village of Waverly of	Village of Waverly - 358 Broad Street RESTORE V	131,769	\$1,000,000	Waverly	Tioga County
	Total RESTORE NY – 2 Projects	TOTAL		\$3,000,000		

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

* * *

Next, Ms. Bethune presented the Non-Discretionary Consent Calendar for the Directors’ consideration.

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

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research and development, and civic organizations.

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

Ms. Bethune explained that the Directors are being asked to approve a \$400,000 grant to Clinton County for construction and improvements to the Federal Aviation Administration (“FAA”) inspection station at Plattsburgh International Airport.

Ms. Bethune further explained that the grant will be used for the construction of a 30,000 square-foot customs inspection station and border protection services which is needed because this airport has become a port of entry for international travel and cargo.

Lastly, Ms. Bethune noted that the project was completed in June of 2018.

Following the full presentation, the Acting Chair called for questions or comments. Director Perales asked if cargo and international included passengers.

Ms. Bethune confirmed that it did.

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

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

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

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

RESOLVED, that the Corporation is authorized to make a grant to the parties and for the amounts listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in these materials, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the applicable Project included in these materials, copies of which Plan shall be maintained with the records of the Corporation; and be it further

RESOLVED, if applicable, that upon further written finding that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, staff is authorized to make a grant to the parties and for the amounts listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in these materials, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance (Senate)			

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A	Plattsburgh Airport Improvements Capital	AC156	Clinton County	\$400,000
	TOTAL NON-DISCRETIONARY PROJECT - 1		TOTAL	\$400,000

and be it further

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

* * *

Next, the Acting Chair called on Bette Yee to present the Entrepreneurial Assistance Program (“EAP”) for the Directors’ consideration.

Ms. Yee explained that the Directors are being asked to approve the funding for 16 EAP Centers for a little over \$1.2 million.

Ms. Yee noted that the EAP provides training and guidance to entrepreneurs with a particular focus on the disadvantaged and underserved populations. She also noted that funding allows for 60 hours of business training courses and counseling, facilitation of loans and MWBE certification.

Following the full presentation, the Acting Chair called for questions or comments. Director Perales commented on his time as Secretary of State and working with EAP to ensure that immigrants had the opportunity to learn how to establish their own businesses.

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Ms. Yee noted that this program serves veterans and works with the Office of New Americans to help immigrants start businesses in New York State.

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

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed One Million, Two-Hundred Twenty-Three Thousand, Seventy-Two dollars (\$1,223,072) from the Entrepreneurial Assistance Program for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, the Acting Chair called on Sonia Gulati to present the New York Ventures item on the Agenda for the Directors' consideration.

Ms. Gulati explained that the Directors are being asked to approve an investment of up to \$500,000 in a \$4.5 million Series Seed Round from MouSensor, Inc.

Ms. Gulati also explained that the financing will be used to further optimize and prototype MouSensor's technology, which will allow the company to reach its next value inflection point.

Lastly, Ms. Gulati noted that MouSensor is a women-led, biotechnology company, based in New York City that was founded by two scientists from Hunter College and has received previous support from New York State through the Startup New York program.

Following the full presentation, the Acting Chair called for questions or comments. Director Gertler asked if this investment is on the same terms as the other investors of the firm.

Ms. Gulati confirmed that it was.

Acting Chair Zemsky then called for any further questions or comments. Hearing none,

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

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the New York State Innovation Venture Capital Fund, the Corporation is authorized to make an investment, in an amount not to exceed \$500,000, in MouSensor Inc. (the “Company”) and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; and be it further

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

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

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

* * *

Next Acting Chair Zemsky called on Maria Mitchell to present the Life Sciences item on the Agenda for the Directors’ consideration.

Before Ms. Mitchell presented the Life Sciences item, Acting Chair Zemsky noted that Jeff Janiszewski and Dr. Jill Taylor, the Director of the Wadsworth Center were on the

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telephone.

Ms. Mitchell explained that the Directors were being asked to approve a grant to Regeneron Pharmaceuticals in the amount of \$24 million to be used to work jointly with the Department of Health's Wadsworth Center Public Health Lab to help develop more effective diagnostics and treatments for Lyme disease.

Ms. Mitchell also noted that ESD will be asked to approve a separate \$6 million grant to Wadsworth over the coming months.

Following the full presentation, the Acting Chair called for questions or comments. Director Perales asked if Regeneron was providing any funds and Ms. Mitchell confirmed that Regeneron is providing half of the matching funds.

The Acting Chair then called on Dr. Taylor to talk about Wadsworth, the work being done and the value of the partnership with Regeneron.

Dr. Taylor gave a brief report on the work being done to better diagnose and treat Lyme disease.

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

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Tarrytown (Mid-Hudson – Westchester County) – Regeneron Lyme Disease Research Working Capital – Life Sciences Initiative Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Regeneron Pharmaceuticals, Inc. a grant for a total amount not to exceed Twenty Four Million Dollars (\$24,000,000) from the Life Sciences Initiative Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes, including, without limitation, a change in funding source, subject to programmatic requirements, 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.

* * *

Next Acting Chair Zemsky called on John Discolo to present the ESD Risk Management Consulting Services contract item on the Agenda for the Directors’ consideration.

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Mr. Discolo explained that the Directors are being asked to approve a two year contract with The Keville Insurance Agency in the amount of \$200,000 to identify and manage the Corporation's risk exposure.

Mr. Discolo also noted that The Keville Insurance Agency is a certified, women-owned business, has served as ESD's insurance consultant in different capacities for several years and was selected through an RFP process.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT– Authorization to Enter into a Contract to Provide Risk Management Consulting Services and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds The Keville Insurance Agency to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with The Keville Insurance Agency in an amount not to exceed Two Hundred Thousand Dollars (\$200,000) over two (2) years for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

Next, Acting Chair Zemsky called on Richard Newman to present a contract amendment for the Directors' consideration.

Mr. Newman explained that the Directors are being asked to approve a contract amendment with Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald that would extend the current contract by an additional one-year beginning December 1, 2018 and ending November 30, 2019.

Mr. Newman noted that the other contract terms and the amount of the contract would remain the same.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – Amendment to Contract to Provide Marketing Services including Advertising, Digital Marketing, Events, Media Planning and Buying Services - Authorization to Amend an Existing Contract with Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald New York (“CE-NY”); Authorization to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is ordered filed with the records of the Corporation, the Corporation hereby finds Lowe & Partners Worldwide, Inc. d/b/a Campbell Ewald New York (“CE-NY”), to be responsible; and further

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RESOLVED, that the Corporation is hereby authorized to extend the existing contract by one year beginning December 1, 2018 and ending November 30, 2019, and all other contract terms would remain unmodified and in full force and effect, substantially on the terms and conditions set forth in the Materials; and be it further

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

* * *

The Acting Chair called on Maria Mitchell to present another Life Sciences item for the Directors' consideration.

Ms. Mitchell explained that the Directors are being asked to authorize the Corporation to enter into a contract with SOSV New York LLC, to administer a bio-accelerator program in New York City.

Ms. Mitchell noted that SOSV was selected through an RFQ and RFP which was created in consultation with an outside consultant well versed with accelerator services and companies.

Ms. Mitchell further noted that SOVS submitted the most comprehensive and lowest proposal, consisting of a contract term of five years and six months for an amount not to exceed \$25 million.

Ms. Mitchell then introduced Arvind Gupta, the CEO of SOSV, which is also known as IndieBio, who was on the telephone and who will be moving to New York for one year to help

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start up the accelerator.

Mr. Gupta noted his excitement at coming to work with New York and the talent it provides for building biotech.

Following the full presentation, the Acting Chair called for questions or comments. Director Gertler had a comment and question.

Director Gertler commented favorably with regard to this project and then asked if this project will create labs or if it will identify and help existing labs.

Mr. Gertler also asked if the labs are virtual or whether there are physical locations where the work will take place.

Ms. Mitchell stated that yes there are physical labs and explained that other labs have been created through other programs that were funded through the Governor's program for \$17 million.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT –
Life Sciences Initiative – Procurement of Life Science Accelerator Services – Authorization to
Enter into a Contract for Life Science Accelerator Services and to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with SOSV NY LLC in an amount not to exceed Twenty-Five Million DOLLARS (\$25,000,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

The Acting Chair then called on Samantha Baldock to present the Downtown Revitalization Initiative (“DRI”) item on the Agenda for the Directors’ consideration.

Ms. Baldock explained that this program was announced in Governor Cuomo’s 2016 State of the State address and that this is round 3 of the DRI in partnership with the Department of State and New York State Homes and Community Renewal.

Ms. Baldock also explained that the Directors are being asked to approve eight consulting firms that will provide planning and project development services to downtown communities for a period not to exceed one year, with all services expected to be completed by the end of April 2019.

Ms. Baldock noted that each assigned community will receive up to \$300,000, which is inclusive of contingencies and all out-of-pocket reimbursements, totaling \$3 million for all eight

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contracts.

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

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – Planning Services for the Downtown Revitalization Initiative - Authorization to Enter into Contracts for Planning Service; 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 AECOM USA, Inc., Bergmann Associates, D.P.C., Buckhurst, Fish & Jacquemart, Inc., HR&A Advisors, Inc., LaBella Associates, D.P.C., MJ Engineering and Land Surveying, D.P.C., Stantec Consulting Services, Inc., and VHB Engineering, Surveying and Landscape Architecture, P.C. to be responsible; and be It further

RESOLVED, that the Corporation is hereby authorized to enter into contracts as set forth below for the purposes and services, and substantially on the further terms and conditions, set forth in the Materials:

- AECOM USA, Inc. for the Mohawk Valley in an amount not to exceed \$300,000;
- Bergmann Associates, D.P.C. for Central New York and Western New York in an amount not to exceed \$300,000 per DRI Area; totaling \$600,000;
- Buckhurst, Fish & Jacquemart, Inc. for the Southern Tier in an amount not to exceed \$300,000;
- HR&A Advisors, Inc. for Long Island and New York City in an amount not to exceed \$300,000 per DRI Area; totaling \$600,000;
- LaBella Associates, D.P.C. for the Finger Lakes in an amount not to exceed \$300,000;
- MJ Engineering and Land Surveying, D.P.C. for the North Country in an amount not to exceed \$300,000;
- Stantec Consulting Services, Inc. for the Capital Region in an amount not to exceed \$300,000;
- VHB Engineering, Surveying and Landscape Architecture, P.C. for Mid-Hudson in an amount not to exceed \$300,000;

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and be it further

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

* * *

Next, Acting Chair Zemsky called on Laura Rogers to present the Belmont Park Redevelopment item on the Agenda for the Directors' consideration.

Ms. Rogers explained that the Directors are being asked to authorize the amendment of a contract for legal services with Greenberg Traurig LLP for environmental legal services related to the development of Belmont Park.

Ms. Rogers noted that the amendment will include an extension of the contract for five years and will increase the value to an aggregate amount of \$500,000.

Ms. Rogers also noted that the contract will be funded by New York Arena Partners, pursuant to a cost letter between ESD and the Arena Partners.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Elmont (Nassau County) – Belmont Park Redevelopment -

DRAFT – SUBJECT TO REVIEW AND REVISION

Authorization to Enter into a Contract for Legal Services Related to the Redevelopment of Belmont Park

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 Greenberg Traurig LLP (“Counsel”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend its contract with Counsel in order to increase the contract amount by \$400,000 from the current amount of \$100,000 to an amount not to exceed \$500,000 for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

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

* * *

The Acting Chair then called on Craig Alfred to present the Westview Residential project at Roosevelt Island on the Agenda for the Directors’ consideration.

Mr. Alfred explained that the Directors are being asked to authorize ESD to enter into a cap agreement based on a tax equivalent payment agreement with the Roosevelt Island Operating Corporation.

Mr. Alfred further explained that Westview was part of the Mitchell Lama Affordable Housing Program and now seeks to leave the program with an affordability plan in place, meaning some of the units will become market rate while others will remain affordable.

Mr. Alfred also noted that to ensure the financial viability of this plan, ESD and the

DRAFT – SUBJECT TO REVIEW AND REVISION

building owner will enter into a tax equivalent payment agreement providing the owner will continue to pay the affordable rate cap on affordable units.

Following the presentation, the Acting Chair called for questions or comments. Director Cephas asked if current tenants do not wish to purchase their units and remain renters, how the rent would be increased.

Mr. Alfred noted that as long as they qualify for affordable units, they would continue to pay rent at their below market rate.

Director Cephas then asked if the increase would be based on current increases or would they be accelerated.

Mr. Alfred stated that he did not believe the increases would be accelerated.

Ms. Jackson noted that the increases would be tied to the Rent Stabilization laws.

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

Roosevelt Island (New York City – New York County) – Westview Residential Project – Authorization to Execute Tax Equivalency Payment Agreement upon Implementation of Affordability Plan for Westview Residential Project

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLVED, that based on the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to Westview Residential Project – Authorization to Execute Tax Equivalency Payment Agreement upon Implementation of Affordability Plan for Westview Residential Project (the “Project”), the Corporation hereby authorizes the Corporation to (i) execute a TEP Agreement with the Owner according to terms described above and (ii) take all related actions; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation and his or her designee(s) are, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to effectuate the foregoing resolution.

* * *

There being no further business, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Debbie Royce
Assistant Corporate Secretary

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Various Counties (Central New York Region) – Alliance for Economic Inclusion Fund Capital and Working Capital – Upstate Revitalization Initiative (Capital and Working 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: Onondaga County (“Onondaga” or the “County”)

ESD* Investment: A grant of up to \$30,000,000 to be used to make funds available for projects targeting regional economic priorities.

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

Project Locations: Cayuga, Cortland, Madison, Onondaga, and Oswego Counties

Proposed Project: The Central New York Regional Economic Development Council (“CNYREDC”) has established the Alliance for Economic Inclusion (“AEI”) which will make funds available for projects targeting one or more of the following categories that are regional economic priorities:

1. Create career pathways for adults and youth from distressed communities by establishing workforce and education strategies that align with Central New York employers’ needs
2. Develop access to economic opportunity and wealth by intentionally attracting and growing good jobs in low income and distressed communities and connecting these communities to employment hubs

3. Create tools and incentives for educational attainment within low-income Central New York communities, making higher education accessible and affordable for all

4. Build wealth and next-generation community leadership by establishing and growing entrepreneurship, business ownership, and homeownership within underserved communities

Project Type: Grant Fund Program

Regional Council: The project is consistent with the Central New York Regional Economic Development Council Plan to revitalize the Central New York Region’s urban cores and neighborhoods.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Grant Funds	<u>30,000,000</u>	
Total Project Costs	<u>\$30,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>30,000,000</u>	<u>100%</u>
Total Project Financing	<u>\$30,000,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: County Government

Grantee History: Onondaga County was founded in 1794 and was originally divided into eleven towns. Today, the City of Syracuse occupies the center of the County and is surrounded by 19 towns and 15 villages. The County is governed under home rule, which provides for the separation of the legislative and executive functions. The current charter was approved by voter referendum in 1961. The County Executive, elected to a four-year term, is the chief executive officer of the County while the County Legislature, composed of 17 members elected to a two-year term is the County’s governing body.

Ownership: The County is a government institution.

Size: Onondaga County has a total area of 806 square miles and a population of 467,026 (2010 Census).

Market: N/A

ESD Involvement: In December 2015, the Alliance for Economic Inclusion, a committee designated by the CNYREDC, was established to support projects and strategies designed to ensure regional economic growth that translates into economic opportunity, increased wealth and improved quality of life within the region's low-income and distressed communities which has some of the highest poverty rates in the country.

There are four committees under the AEI – Planning Committee, Allocations Committee, Program Committee, and Policy Committee. The Planning Committee is responsible for reviewing needs data and setting annual priorities to be forwarded to the full AEI. The Allocations Committee is responsible for soliciting, reviewing, and evaluating all proposals for programmatic content, assigning dollar allocations, and forwarding all allocation recommendations to the full AEI. The Program Committee is responsible for reviewing performance of all allocation decisions and recommending any changes to the full membership. The Policy Committee is responsible for researching local, state, and Federal regulations/mandates/laws that adversely affect those in poverty, and recommending possible changes and amendments to the full commission.

As part of the Governor’s Upstate Revitalization Initiative, \$30,000,000 is earmarked to create a grant fund for AEI to support projects targeting regional economic priorities.

Competition: N/A

Past ESD Support: Funding for the past five years, totaling \$27,532,100, to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
SP APPROP Onondaga 14-15	AA823	\$ 21,814,400	April 21, 2016	December 31, 2018	Capital – Sewer and infrastructure improvements along Milton Avenue

SP APPROP Onondaga 14-15	AA893	\$5,717,700	May 19, 2016	December 31, 2019	Capital – Revitalization projects in the Village of Solvay
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B. The Project

Completion: August 2023

Activity: AEI, which is comprised of representatives from the private, public, and not-for-profit sectors, will implement strategies and administer funds in order to 1) develop access to economic opportunity and wealth; 2) create career pathways for adults and youth from distressed communities; 3) build wealth and next-generation community leadership; and 4) create tools and incentives for educational attainment within low-income communities.

With the guidance of the Onondaga County Purchasing Division, the AEI drafted a Request for Proposals that was released by Onondaga County on September 27, 2017. Ninety-two proposals were received and the AEI Allocations Committee met several times between December 8, 2017 and February 8, 2018 to review and discuss all proposals. A total of twenty-two proposals were recommended for funding by the Allocations Committee. The full AEI voted on February 8, 2018 to move all 22 proposals forward for consideration by the CNYREDC. The CNYREDC Executive Committee voted in favor of all allocation recommendations on March 8, 2018. The Allocations Committee made 22 awards totaling approximately \$7,000,000 which represents the first year of the five-year project. The awards ranged from \$46,000 to \$1,000,000. The awards will fund salaries, benefits, technology equipment, facility costs, training, loan capital, transportation, staff supports, client supports, supplies, and administrative costs. Projects range from job development and employment services, micro-business lending, college and career preparation, lease-purchase programs, and translation services to early childhood literacy services, child care certification programs, and transportation services. All projects are aimed at increasing economic inclusion within the region’s distressed communities.

Results: As a result of this project, career pathways for adults and youth from distressed communities will be created by establishing workforce and education strategies in key industry sectors, develop access to economic

opportunity and wealth, create tools and incentives for educational attainment within low-income Central New York communities, and build wealth and next-generation community leadership by establishing growing entrepreneurship, business ownership, and homeownership.

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: Ann Rooney
Onondaga County
420 Montgomery Street
Syracuse, NY 13202
(315) 435-3516
annrooney@ongov.net

ESD Project No.: AC344

Project Team:	Origination	Zachary Becker
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Edwina Telemaque
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the 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 \$30,000,000 will be disbursed as follows:

An initial advance of \$6,000,000 to be disbursed upon receipt of the executed Grant Disbursement Agreement and a statement, acceptable to ESD, of the Alliance for Economic Inclusion Fund’s policies and procedures outlining how funds will be expended, monitored, and reported;

A second advance of \$6,000,000 to be disbursed upon documentation of 80% (\$4,800,000) of the initial advance having been expended on qualifying costs;

A third advance of \$6,000,000 to be disbursed upon documentation of 100% of the initial advance and 80% of the second advance (\$10,800,000) having been

expended on qualifying costs;

A fourth advance of \$6,000,000 to be disbursed upon documentation of 100% of the initial and second advances and 80% of third advance (\$16,800,000) having been expended on qualifying costs; and

A fifth advance of \$6,000,000 to be disbursed upon documentation of 100% of advances one through three and 80% of the fourth advance (\$22,800,000) having been expended on qualifying costs.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2024. Expenses must be incurred on or after April 12, 2018, to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$30,000,000, 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 – Upstate Revitalization Initiative

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 ministerial 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. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

August 16, 2018

Various Counties (Central New York Region) – Alliance for Economic Inclusion Fund Capital and Working Capital – Upstate Revitalization Initiative (Capital and Working Capital Grant) Findings and Determinations Pursuant to Sections 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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 Alliance for Economic Inclusion Fund Capital and Working Capital – Upstate Revitalization Initiative (Capital and 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 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 Onondaga County a grant for a total amount not to exceed Thirty Million Dollars (\$30,000,000) from the Upstate Revitalization Initiative, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

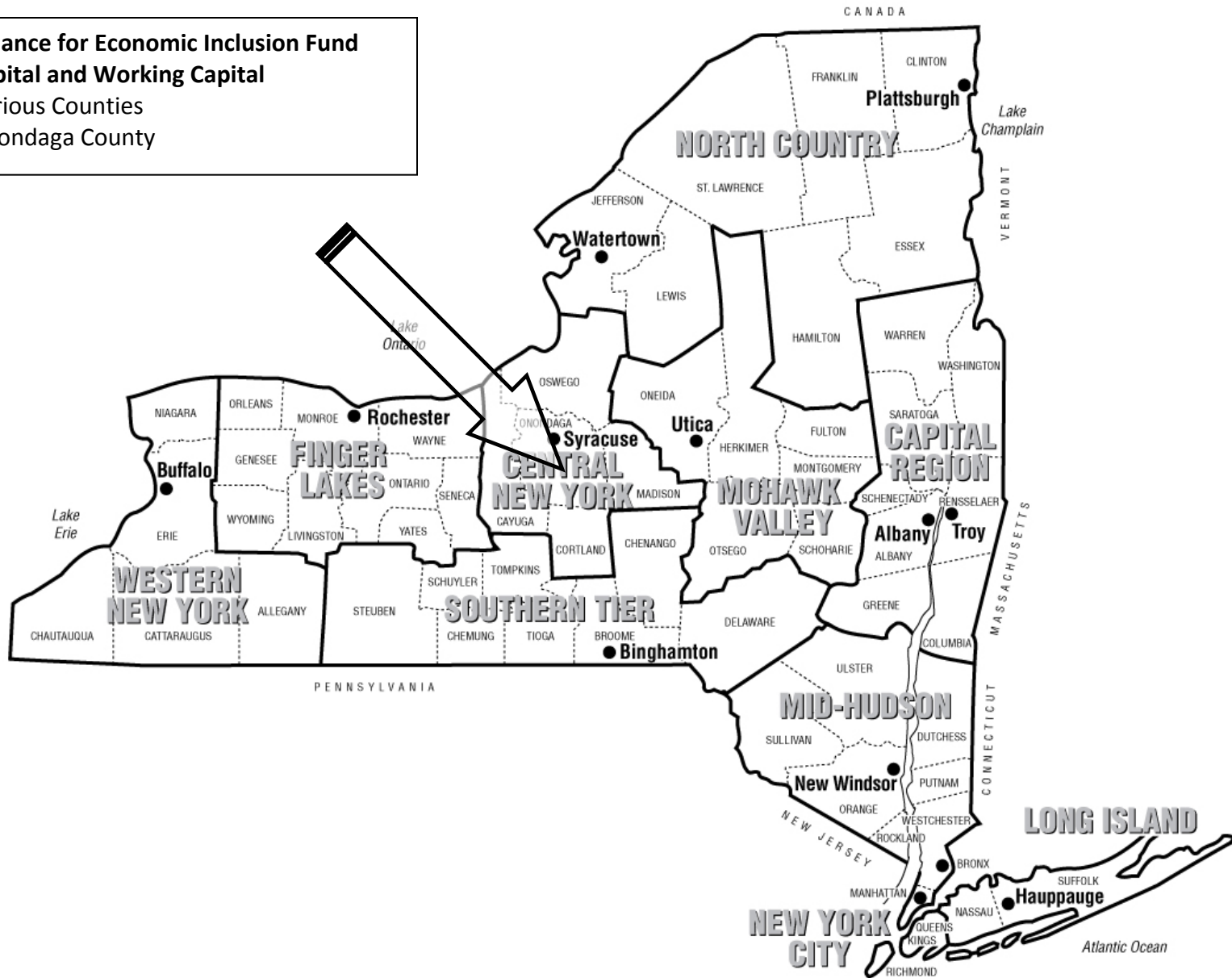
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

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

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

* * *

Alliance for Economic Inclusion Fund
Capital and Working Capital
 Various Counties
 Onondaga County



FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Norwich (Southern Tier Region – Chenango County) – Unison Revitalization Capital – Upstate Revitalization Initiative (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Unison Industries, LLC (“Unison” or the “Company”)

ESD* Investment: A grant of up to \$4,230,000 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: 5345 State Highway 12, Norwich, Chenango County

Proposed Project: Renovation of existing plant and expansion of production and R&D operations, including investments in M&E and FF&E

Project Type: Business expansion involving job retention and creation

Regional Council: The Southern Tier Regional Economic Development Council (“STREDC”) has been made aware of this item. The project is consistent with the STREDC’s plan to encourage manufacturing and research and development, which are major economic drivers for the region. The Company's commitment also builds on the Southern Tier Soaring initiative that's fueling economic growth and job creation.

Employment:	Initial employment at time of ESD Incentive Proposal:	362
	Current employment level:	408
	Minimum employment on January 1, 2020:	438

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction and Renovation	\$3,685,000	
Machinery & Equipment	6,033,616	
Furniture, Fixtures, and Equipment	405,000	
Research & Development Costs	<u>18,800,000</u>	
 Total Project Costs	 <u>\$28,923,616</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	
ESD-Grant	\$4,230,000	15%
Company Equity	<u>24,693,616</u>	<u>85%</u>
 Total Project Financing	 <u>\$28,923,616</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: Manufacturing

Company History: In 1980, Slick Electro, an established manufacturer of ignition systems for piston aircraft engines, was purchased and renamed Unison Industries, LLC. In 1988, Unison introduced the world's first solid state turbine ignition system. Unison is the leading global supplier of complex gas turbine engine components and electrical and mechanical systems. Unison is a supplier to nearly every engine and airframe program, providing the most advanced performance solutions for a wide variety of markets including aviation, space and defense, power, oil and gas, and transportation.

The Unison facility in Norwich, NY was originally established in 1947 as General Laboratory Associates (GLA). It has been a staple in the Norwich and Chenango County for 70 years, and has operated under 4 different owners prior to Unison's purchase in 1997.

Ownership: In 2002, Unison Industries, LLC, a limited liability company, was acquired by General Electric ("GE"), a publicly traded company, and made a wholly-owned subsidiary of GE Engine Services.

Size: Unison is a global company, employing more than 2,000 people around the world. Unison has five major manufacturing locations in Saltillo, Mexico; Dayton, Ohio; Jacksonville, Florida; Dzierzoniow, Poland; and Norwich, New York, as well as engineering centers and supporting sites across the globe.

Market: Unison has been serving the aerospace industry for over 30 years and is a supplier to nearly every aircraft engine and airframe in service today. Unison sells its products to over 140 worldwide aviation customers and its products are found on various types of land vehicles, military aviation and naval platforms, as well as sensor solutions for the rail industry and bellows for sub-sea use in the oil and gas industry. The customers come from a number of different markets including Engine Manufactures (GE, Pratt & Whitney, Rolls Royce), Aircraft Manufactures (Boeing, Airbus), Military Customers (US Government), and Airlines (United, Delta, KLM). Unison’s major competitors are Meggitt, Ametek, and Champion Aerospace.

ESD Involvement: Unison is coordinating with General Electric Aviation, as well as other aviation customers, to expand production of its Sensor Product Line. The Company was considering multiple facilities across the globe including Poland, Canada, Mexico, and Florida, which could accommodate the additional production. Unison was also considering the Norwich, NY location for this expansion project but needed assistance to close a financing gap. In April 2017, ESD awarded a \$4,230,000 grant from the Upstate Revitalization Initiative to assist with the purchase of machinery and equipment.

Competition: Poland, Canada, Mexico, and Florida

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

B. The Project

Completion: December 2019

Activity: The Company has purchased machinery and equipment and completed renovations to an existing 160,000-square-foot facility in Norwich, NY. The facility will support growth with Unison’s Sensor Product Line in support of the aviation industry.

Results: Retain 362 existing jobs and create 76 new jobs. The Company has already created 46 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 \$4,544,407;
- Fiscal cost to NYS government is estimated at \$4,230,000;
- Project cost to NYS government per direct job is \$43,493;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$21,679;
- Ratio of project fiscal benefits to costs to NYS government is 1.07:1;
- Fiscal benefits to all governments (state and local) are estimated at \$7,709,403;
- Fiscal cost to all governments is \$4,230,000;
- All government cost per direct job is \$43,493;
- All government cost per total job is \$21,679;
- The fiscal benefit to cost ratio for all governments is 1.82:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$59,955,739, or \$307,277 per job (direct and indirect);
- The economic benefit to cost ratio is 14.17:1;
- Project construction cost is \$3,685,000, which is expected to generate 35 direct job years and 14 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 seven years.

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

Grantee Contact: Daniel Ketchum, Site Leader
5345 State Highway 12
Norwich, NY 13815
Phone: 607-335-5000
E-mail: daniel.ketchum@ge.com

ESD Project No.: AC010

Project Team:	Origination	Michael Morse
	Project Management	James Bedrin
	Contractor & Supplier Diversity	Edwina Telemaque
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$4,230,000 capital grant (\$42,300) 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. General Electric will guarantee the grant repayment obligation of its subsidiary, Unison Industries, 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 \$4,230,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$2,115,000) upon documentation of construction, renovation, machinery, equipment, furniture, fixtures totaling \$5,000,000, including purchase and installation of \$3,000,000 in machinery and equipment, and documentation of the employment of at least 396 Full-time Permanent Employees at the Project Location (Employment Increment of 34), assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$1,057,500) will be disbursed upon documentation of the employment of at least 417 Full-time Permanent Employees at the Project Location (Employment Increment of 21), and additional project capital expenditures of \$2,500,000 (cumulative expenditures of \$7,500,000) provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$1,057,500) will be disbursed upon documentation of the employment of at least 438 Full-time Permanent Employees at the Project Location (Employment Increment of 21), additional project capital expenditures of \$2,623,616 (cumulative expenditures of \$10,123,616), as well as completion of the project substantially as described in these materials and a certificate of occupancy provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after July 26, 2017 to be considered eligible project costs. All disbursements must be requested by April 1, 2021.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$4,230,000, 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	362
A	B
Reporting Date	Employment Goals
February 1, 2019	362+X+Y+Z
February 1, 2020	362+X+Y+Z
February 1, 2021	362+X+Y+Z
February 1, 2022	362+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=34, and Employment Goals shall equal [362+ X = 396] 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=21, and Employment Goals shall equal [362 + X + Y = 417] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=21, and Employment Goals shall equal [362 + X + Y + Z = 438] 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 – Upstate Revitalization Initiative

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.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

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

VIII. Additional Submissions to Directors

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

August 16, 2018

Norwich (Southern Tier Region – Chenango County) – Unison Revitalization Capital – Upstate Revitalization Initiative (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Unison Industries, LLC a grant for a total amount not to exceed Four Million Two Hundred Thirty Thousand Dollars (\$4,230,000) from the Upstate Revitalization Initiative, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

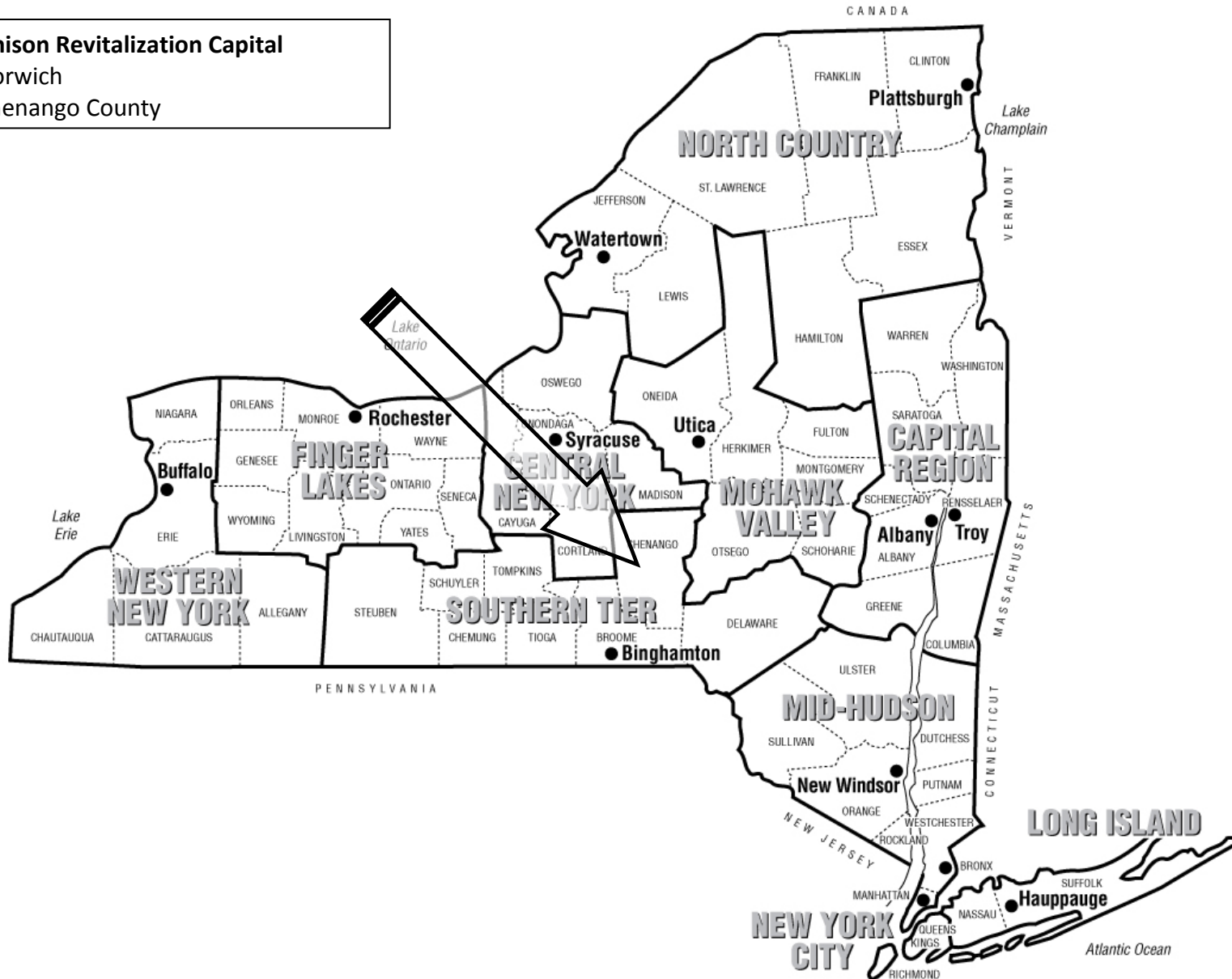
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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

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

* * *

Unison Revitalization Capital
Norwich
Chenango County



Project Summary Benefit-Cost Evaluation¹

Unison Industries, 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: 362 **Construction Job Years (Direct): 35**
New Jobs: 76 over five years **Construction Job Years (Indirect): 14**

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$4,230,000	\$794,250	\$4,230,000	\$1,020,500
Fiscal Benefits⁴	\$4,544,407	\$2,085,600	\$7,709,403	\$4,271,980
Fiscal Cost /Direct Job	\$43,493	\$3,000	\$43,493	\$4,110
Fiscal Cost/Total Jobs	\$21,679	\$1,424	\$21,679	\$1,964
Fiscal B/C Ratio	1.07	7.00	1.82	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$59,955,739	\$119,468,000		
Econ. Benefits/Total Jobs	\$307,277	\$147,600		
Economic B/C Ratio	14.17	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

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Binghamton (Southern Tier Region – Broome County) – Binghamton Precast & Supply 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: Binghamton Precast & Supply Corporation (the “Company”)

ESD* Investment: A grant of up to \$350,000 to be used for a portion of the cost of construction, renovations, and the purchase of machinery and equipment

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

Project Locations: 17 Phelps Street, Binghamton, Broome County*
99 West Service Road, Binghamton, Broome County*
17 Thomas Street, Binghamton, Broome County

*Project activity sites; other is job-retention site

Proposed Project: Construction and renovation for facility expansion and purchase of machinery and equipment for new product line to compete for large precast infrastructure projects

Project Type: Business expansion involving job retention and creation

Regional Council: The project is consistent with the Southern Tier Regional Economic Development Council Plan to boost manufacturing within the region.

Employment: Initial employment at time of ESD Incentive Proposal: 78
Current employment level: 93
Minimum employment on January 1, 2023: 98

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction & Renovation	\$3,004,800	
Machinery & Equipment	<u>751,200</u>	
Total Project Costs	<u>\$3,756,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$350,000	9%
Company Equity	<u>3,406,000</u>	<u>91%</u>
Total Project Financing	<u>\$3,756,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Manufacturer of precast concrete products

Company History: Binghamton Precast & Supply Corporation was formed in 1990. The Company manufactures precast concrete products for major highway and infrastructure projects.

Ownership: The Company is privately-owned.

Size: The Company currently employs 93 full time employees and operates three facilities in Binghamton, NY.

Market: Binghamton Precast & Supply Corporation has less than 20% of the precast concrete market share and is considered a large supplier of precast concrete products to the overall market.

ESD Involvement: Binghamton Precast & Supply Corporation is in the midst of implementing a two phase project. The first phase of the project included the construction of a new manufacturing facility. The total cost of the combined projects is \$5.2 million. In 2016, the Company requested assistance from ESD through Round 6 of the Consolidated Funding Application process to bridge a funding gap with the second phase of the project. The Company was awarded \$350,000 through the Regional

Council Capital Fund. Without ESD assistance, it is unlikely the second phase of the project would move forward.

Competition: N/A

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

B. The Project

Completion: August 2019

Activity: The Company has constructed a new manufacturing facility and renovated its other facilities as well as purchased new machinery and equipment.

Results: Retain 78 jobs and create 20 new jobs. The Company has already created 15 new jobs. The expansion will help the Company increase production and compete for large precast infrastructure projects within New York, Pennsylvania and New Jersey.

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 \$520,535;
- Fiscal cost to NYS government is estimated at \$350,000;
- Project cost to NYS government per direct job is \$32,169;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$14,672;
- Ratio of project fiscal benefits to costs to NYS government is 1.49:1;
- Fiscal benefits to all governments (state and local) are estimated at \$860,334;
- Fiscal cost to all governments is \$350,000;
- All government cost per direct job is \$32,169;

- All government cost per total job is \$14,672;
- The fiscal benefit to cost ratio for all governments is 2.46:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$6,627,472, or \$277,819 per job (direct and indirect);
- The economic benefit to cost ratio is 18.94:1;
- Project construction cost is \$3,004,800, which is expected to generate 24 direct job years and 9 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.12 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is five years.

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

Grantee Contact: Jay Abbey, President
 18 Phelps Street
 Binghamton NY 13901
 Phone: 607-722-0334
 E-mail: jabbey@binghamtonprecast.com

ESD Project No.: AB638; 131,464

Project Team:	Origination	Joe Roman
	Project Management	James Bedrin
	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 Company shall pay a commitment fee of 1% of the \$350,000 capital grant (\$3,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or grants from a government source.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-

time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$350,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$175,000) upon completion of the project substantially as described in these materials, including documentation of total project expenditures of \$3,756,000 (including \$751,200 in machinery and equipment), documentation of the employment of at least 78 Full-time Permanent Employees at the Project Location, and a Certificate of Occupancy or other documentation verifying project completion as ESD may require, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$87,500) will be disbursed upon documentation of the employment of at least 88 Full-time Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$87,500) will be disbursed upon documentation of the employment of at least 98 Full-time Permanent Employees at the Project Location (Employment Increment of 10), 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 January 1, 2023.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$350,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant

funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

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

Baseline Employment	78
A	B
Reporting Date	Employment Goals
February 1, 2019	78+X+Y
February 1, 2020	78+X+Y
February 1, 2021	78+X+Y
February 1, 2022	78+X+Y
February 1, 2023	78+X+Y
February 1, 2024	78+X+Y
February 1, 2025	78+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=10, and Employment Goals shall equal $[78 + X = 88]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=10, and Employment Goals shall equal $[78 + X + Y = 98]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2016-2017 New York State budget and reappropriated in the 2017-2018 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 Town of Fenton Planning Board, as lead agency, has completed an environmental review of the construction of the new manufacturing facility 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 ("NYSDEC"). This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 11, 2017. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

In addition, ESD staff has determined that the renovation of existing facilities and purchase of new machinery and equipment constitute a Type II action as defined by SEQRA and the implementing regulations of NYSDEC. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

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

VIII. Additional Submissions to Directors

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

August 16, 2018

Regional Council Award – Priority Project –Binghamton (Southern Tier Region – Broome County) – Binghamton Precast & Supply 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 Binghamton Precast & Supply 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 Binghamton Precast & Supply Corporation a grant for a total amount not to exceed Three Hundred and Fifty Thousand Dollars (\$350,000) 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.

* * *

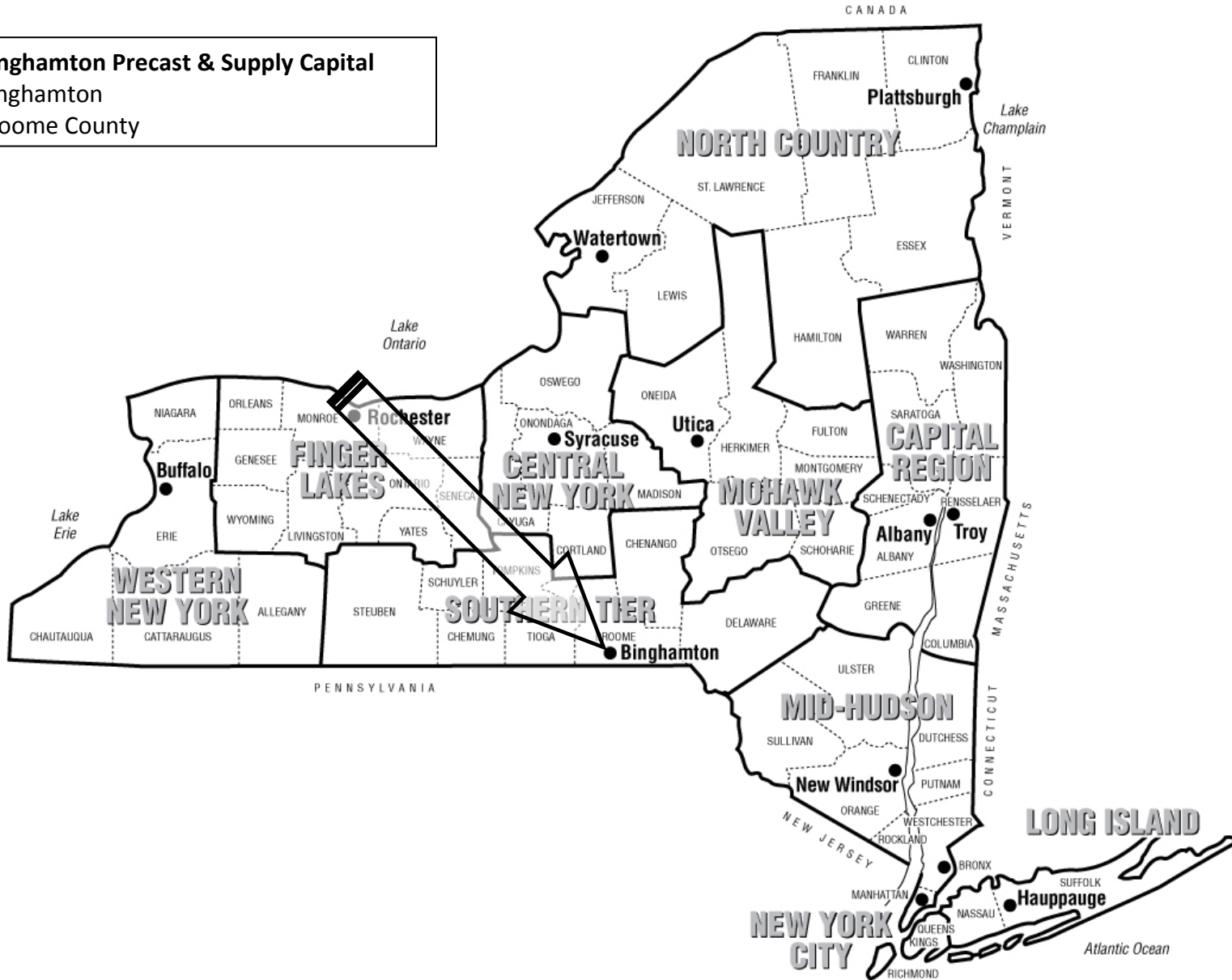
August 16, 2018

Regional Council Award – Priority Project – Binghamton (Southern Tier Region – Broome County) – Binghamton Precast & Supply 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 Binghamton Precast & Supply Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Binghamton Precast & Supply Capital
Binghamton
Broome County



**Project Summary
Benefit-Cost Evaluation¹**

Binghamton Precast & Supply Corporation – Business Investment

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

Initial Jobs:	78	Construction Job Years (Direct):	24
New Jobs:	20 over four years	Construction Job Years (Indirect):	9

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$350,000	\$794,250	\$350,000	\$1,020,500
Fiscal Benefits⁴	\$520,535	\$2,085,600	\$860,334	\$4,271,980
Fiscal Cost /Direct Job	\$32,169	\$3,000	\$32,169	\$4,110
Fiscal Cost/Total Jobs	\$14,672	\$1,424	\$14,672	\$1,964
Fiscal B/C Ratio	1.49	7.00	2.46	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$6,627,472	\$119,468,000		
Econ. Benefits/Total Jobs	\$277,819	\$147,600		
Economic B/C Ratio	18.94	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

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Watkins Glen and Montour Falls (Southern Tier Region – Schuyler County) – Schuyler County Project Seneca Phase 1 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: Schuyler County (the “County”)

ESD* Investment: A grant of up to \$550,000 to be used for a portion of the cost of property acquisition, design, planning and engineering and environmental investigation and remediation

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

Project Locations: North Porter Street, Watkins Glen
Marina Drive, Montour Falls

Proposed Project: Undertaking of Phase 1 of a larger capital project that includes environmental assessments, remediation and planning, design, and engineering for the future construction of a state-of-the art municipal waste water treatment plant that will support redevelopment along the Seneca Lake waterfront

Project Type: Waterfront Redevelopment, Infrastructure

Regional Council: The project is consistent with the Southern Tier Regional Economic

Development Council Plan to support infrastructure investments that will support the region’s economic development strategies such as waterfront revitalization and tourism.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Property Acquisition	\$92,203	
Design, Planning & Engineering	1,530,297	
Environmental Assessment/Remediation	<u>145,500</u>	
 Total Project Costs	 <u>\$1,768,000</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD-Grant	\$550,000	31%
NYS Environmental Facilities Corp.*	<u>1,218,000</u>	<u>69%</u>
 Total Project Financing	 <u>\$1,768,000</u>	 <u>100%</u>

* Grantee Equity may be grants from another government source

III. Project Description

A. Company

Industry: Government

Grantee History: Schuyler County was established in 1854. The Village of Watkins Glen is the county seat.

Ownership: Schuyler County is a county government governed by a County Legislature and managed by a County Administrator.

Size: Schuyler County’s population is approximately 18,300. The County spans an area of approximately 340 square miles.

ESD Involvement: In partnership with the Schuyler County Partnership for Economic Development (“SCOPED”), the Schuyler County IDA, the Village of Watkins Glen, and the Village of Montour Falls, the County identified a need to provide critical improvements to regional infrastructure that will support private investment on the Lake Seneca waterfront.

Schuyler County applied through Round 2 of the Consolidated Funding Application in order to secure necessary financing to offset the high cost

of infrastructure improvements due to the need to decommission two undersized existing wastewater treatment plants, and to consolidate the waste water treatment systems into one state-of-the-art facility. In November 2014, ESD made the County an offer of assistance from the Regional Council Capital Fund, which the County accepted shortly after. Without ESD's assistance, the project could not have been completed.

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

B. The Project

Completion: June 2018

Activity: Schuyler County undertook planning, design, engineering as well as environmental assessment and remediation in order to complete Phase 1 of a project that will decommission two undersized existing wastewater treatment plants and consolidate systems into one state-of-the-art wastewater treatment plant.

Results: The planning, design, engineering and environmental components are integral to the completion of the project which will support private investment and redevelopment along Seneca Lake.

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: Tim O'Hearn, County Administrator
105 Ninth Street Unit 37
Watkins Glen, NY 14891
Phone: 607-535-8106
E-mail: TOhearn@co.schuyler.ny.us

ESD Project No.: Z435

Project Team:	Origination	Joe Roman
	Project Management	James Bedrin
	Contractor & Supplier Diversity	Edwina Telemaque
	Finance	Timothy Anderson
	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 \$550,000 capital grant (\$5,500) 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 \$550,000 will be disbursed to the Grantee upon completion of the project substantially as described in these materials, and documentation of project costs totaling \$1,768,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 19, 2012 to be considered eligible project costs.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$550,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015, 2015-2016, 2016-2017, 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 Board of Trustees of the Village of Watkins Glen, as lead agency, has completed an environmental review of the project pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on January 20, 2015. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. 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.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize 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 30% related to the total value of ESD’s funding.

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

Regional Council Award – Priority Project – Watkins Glen and Montour Falls (Southern Tier Region – Schuyler County County) – Schuyler County Project Seneca Phase 1 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 Schuyler County Project Seneca Phase 1 Capital -- Regional Council Capital Fund (Capital Grant) (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the 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 Schuyler County a grant for a total amount not to exceed Five Hundred and Fifty Thousand Dollars (\$550,000) 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.

* * *

August 16, 2018

Regional Council Award – Priority Project – Watkins Glen and Montour Falls (Southern Tier Region – Schuyler County County) – Schuyler County Project Seneca Phase 1 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 Schuyler County Project Seneca Phase 1 Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

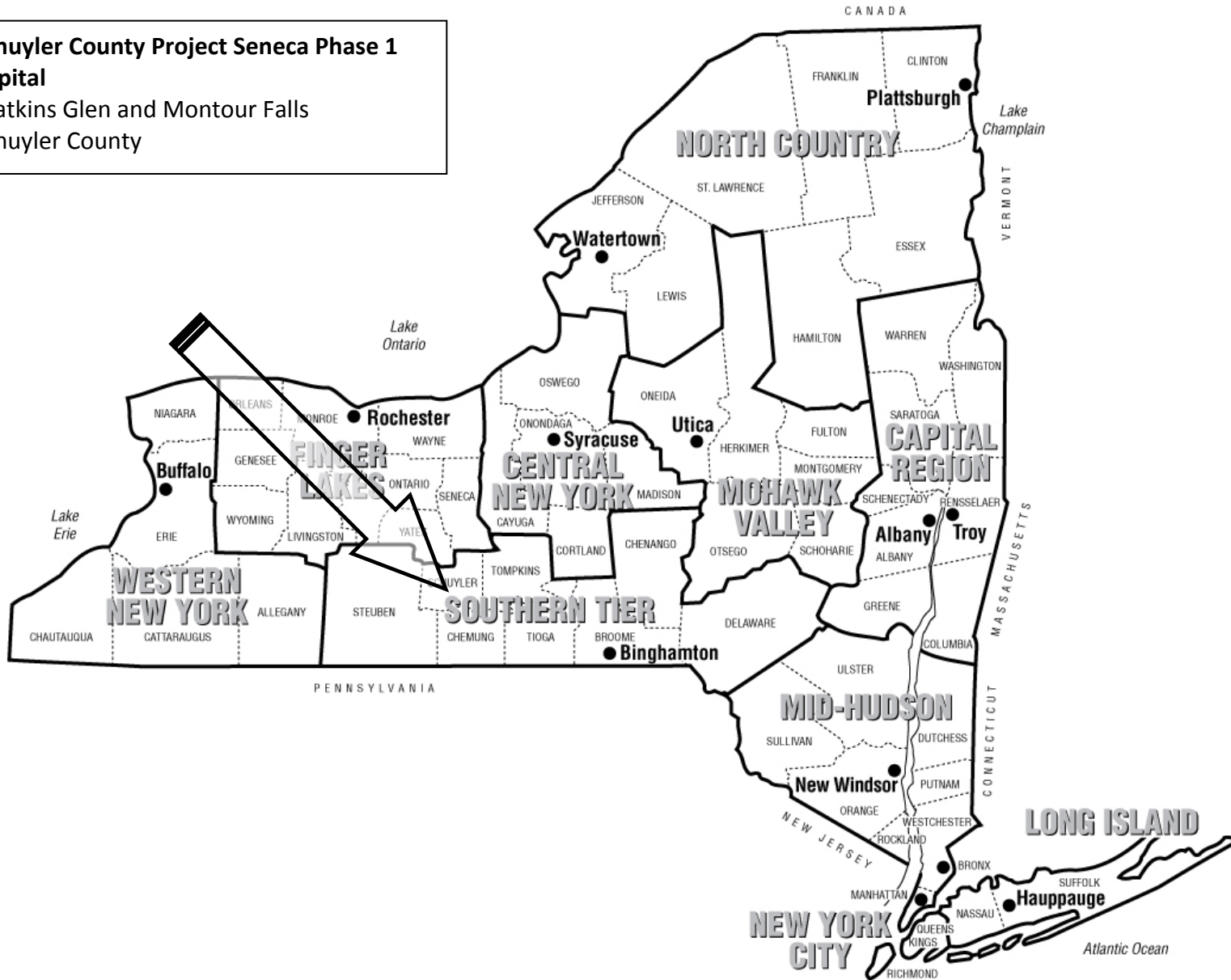
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Schuyler County Project Seneca Phase 1

Capital

Watkins Glen and Montour Falls

Schuyler County



FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project - Watkins Glen (Southern Tier Region – Schuyler County) – Schuyler County Wine Production Capital – Upstate Revitalization Initiative, Economic Transformation Program, and Regional Council Capital Fund (Capital Grants)

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

General Project Plan

I. Project Summary

Grantee: Schuyler County Partnership for Economic Development (“SCOPED” or the “Organization”)

ESD* Investment: Three grants of up to \$1,750,000 to be used for a portion of the cost of infrastructure, site work, construction and renovations and the purchase and installation of machinery and equipment

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

Project Location: 2142 State Route 414, Watkins Glen, Schuyler County

Proposed Project: Infrastructure improvements and construction of a 20,000-square-foot, ultra-premium wine production, warehousing, and distribution facility

Project Type: Economic growth and wine business expansion

Regional Council: The Southern Tier Regional Economic Development Council has been made aware of this item.

Employment:	Initial employment at time of ESD Incentive Proposal:	0
	Current employment level:	0
	Minimum employment on January 1, 2021:	14

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$4,700,000
Infrastructure/Site Work	1,000,000
Machinery/Equipment	3,700,000
Other Project Costs (soft costs)	<u>550,000</u>
 Total Project Costs	 <u>\$9,950,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant #1 (#AC800)	\$1,000,000	10%	
ESD-Grant #2 (#AC801)	500,000	5%	
ESD Grant #3 (#AB788)	250,000	2%	
Empire Pipeline	608,436	6%	
Schuyler County	474,573	5%	
Elmira Savings Bank	3,400,000	34%	Prime +0.5%/20 year/1st
Tenant Investment	1,450,000	15%	
Grantee Equity	<u>\$2,266,991</u>	<u>23%</u>	
 Total Project Financing	 <u>\$9,950,000</u>	 <u>100%</u>	

III. Project Description

A. Company

Industry: Economic Development

Organization

History: SCOPED was formed in 1998 as a private, not-for-profit organization to help support the growth of economic development efforts in Schuyler County. SCOPED is a public-private partnership funded by a combination of membership dues and public investments. With a board representative of both private and public entities, SCOPED works to grow the local economy for all Schuyler County residents.

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

Size: All facilities are located in the Town of Dix, NY.

Market: N/A

ESD Involvement: SCOPED identified a need to address logistical issues related to the production and export of ultra-premium wines in the Southern Tier region. The high capital costs of expanding winery capacity or building a new facility made opportunities to expand production prohibitive for Southern Tier wineries. SCOPED proposed to develop a shared production, warehousing and distribution facility to allow wineries to significantly expand production at a lower cost.

SCOPED applied for assistance through Round 6 of the Consolidated Funding Application, and accepted an award of \$250,000 in August 2017 for infrastructure improvements to the Schuyler County Business Park that would set the stage for future development. SCOPED then approached ESD again to fill a funding gap for the construction of the facility, and accepted a \$1,500,000 award from the Economic Transformation Program and the Upstate Revitalization Initiative in March 2018.

Competition: N/A

Past ESD Support: SCOPED has not received ESD funding within the past five years.

B. The Project

Completion: December 2020

Activity: SCOPED is in the process of undertaking infrastructure improvements, construction, renovation and purchase and installation of equipment in order to construct a 20,000-square-foot, ultra-premium wine production, warehousing and distribution facility. The building will be located within the Schuyler County Business Park and will provide shared production space for new and expanding wine and craft beverage companies.

Results: The sale of ultra-premium wine will support tradable sectors and increase exports in a significant industry cluster in the Southern Tier.

Business
Investment
Project:

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

construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at \$2,196,693;
- Fiscal cost to NYS government is estimated at \$1,750,000;
- Project cost to NYS government per direct job is \$192,157;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$54,751;
- Ratio of project fiscal benefits to costs to NYS government is 1.26:1;
- Fiscal benefits to all governments (state and local) are estimated at \$3,715,779;
- Fiscal cost to all governments is \$1,750,000;
- All government cost per direct job is \$192,157;
- All government cost per total job is \$54,751;
- 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 \$28,542,968, or \$892,996 per job (direct and indirect);
- The economic benefit to cost ratio is 16.31:1;
- Project construction cost is \$6,250,000, which is expected to generate 60 direct job years and 24 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 2.57 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is five years.

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

Grantee Contact: Judy McKinney Cherry, Executive Director
910 South Decatur Street
Watkins Glen, NY 14891
Phone: 607-535-4341
E-mail: Judy@FLXGateway.com

ESD Project Nos.: AC800/AC801/AB788

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Organization shall pay a commitment fee of 1% of the \$1,750,000 capital grants (\$17,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Organization will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Organization will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Organization's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through Organization financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Organization 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. The Recipient agrees to impose the Employment Commitment, without condition, on the Tenants (or Beneficiaries) at the Project Location and Beneficiaries Location(s). The Recipient will be responsible for obtaining documentation suitable for verifying number of Full-time Permanent Employees of its Tenants (Beneficiaries). Such documentation may include, at minimum, NYS 45 ATT forms, multiple worksite reports (where applicable) and/or HR Report detailing the full-time/part-time status of each employee. Recipient shall provide all such documentation to ESD, together with an annual report of employment according to the Employment Goals set forth in Column

B of the table below.

6. Up to \$1,750,000 will be disbursed to Grantee, no more frequently than quarterly, in proportion to ESD's funding share, upon documentation of eligible expenses during the course of design and/or construction, in compliance with the Design & Construction requirements, assuming that all project approvals have been completed and funds are available.

The final 10% (\$175,000) of the grant will be disbursed upon completion of the project, as evidenced by documentation of total project expenditures of at least \$8,500,000, employment of at least 14 new Full-time Permanent employees at the Project Location, and a certificate of occupancy.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 8, 2016, to be considered eligible project costs. All disbursements must be requested by April 1, 2023.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,750,000, 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.
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
February 1, 2021	0+X
February 1, 2022	0+X
February 1, 2023	0+X

X = Grantee's Employment Increment that will be the basis of the Final 10% Disbursement of the Grant as described in section C.6 above (i.e. X=14, and Employment Goals shall equal [0 + X = 14] if the Final 10% Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Final 10% Disbursement has not yet been made then X=0.

IV. Statutory Basis – Regional Council Capital Fund, Upstate Revitalization Initiative, Economic Transformation Program

The funding was authorized for project #AB788 in the 2016-2017 New York State budget and reappropriated in the 2017-2018 and 2018-2019 New York State budgets. The funding was authorized for project #AC800 in the 2015-2016 New York State budget and reappropriated in the 2016-2017, 2017-2018 and 2018-2019 New York State budgets. The funding was authorized for project #AC801 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

The Town of Dix 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 March 28, 2017. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VII. Non-Discrimination and Contractor & Supplier Diversity

AC800 & AC801

MWBE -ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the project. The Recipient shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (MWBE) participation goal of 35% related to \$1 million of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project. A further explanation of the MWBE requirements is attached hereto.

SDVOB-The Recipient shall also be required to use Good Faith Efforts (pursuant to 9 NYCRR§ 252.2(m)) to achieve a Service-Disabled Veteran-Owned Business (SDVOB) participation goal of 4% related to \$1 million of ESD's funding and to solicit and utilize SDVOBs for any contractual opportunities generated in connection with the project. A further explanation of the SDVOB requirements is attached hereto.

AB788

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

Benefit-Cost Analysis

Project Finance Memorandum

August 16, 2018

Regional Council Award – Priority Project –Watkins Glen (Southern Tier Region – Schuyler County) – Schuyler County Wine Production Capital – Upstate Revitalization Initiative, Economic Transformation Program, and Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make 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 Schuyler County Wine Production Capital -- Upstate Revitalization Initiative, Economic Transformation Program, and Regional Council Capital Fund (Capital Grants) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Schuyler County Partnership for Economic Development grants for a total amount not to exceed One Million Seven Hundred and Fifty Thousand Dollars (\$1,750,000) from the Upstate Revitalization Initiative, Economic Transformation Program, and Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *

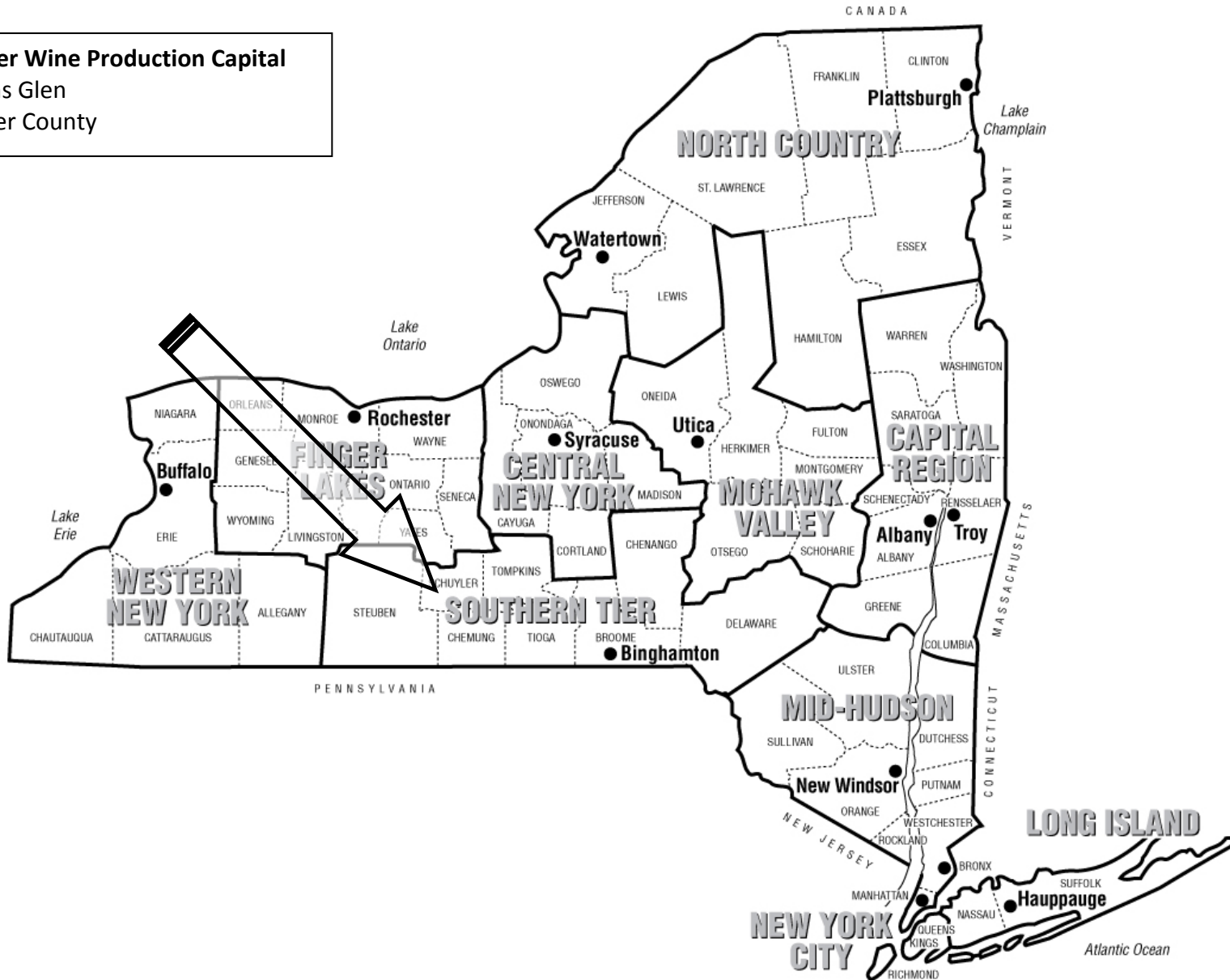
August 16, 2018

Regional Council Award – Priority Project – Watkins Glen (Southern Tier Region – Schuyler County) – Schuyler County Wine Production Capital – Upstate Revitalization Initiative, Economic Transformation Program, and Regional Council Capital Fund (Capital Grants) – Determination of No Significant Effect on the Environment

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

* * *

Schuyler Wine Production Capital
Watkins Glen
Schuyler County



Project Summary Benefit-Cost Evaluation¹

Schuylker County Partnership for Economic Development – 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):	60
New Jobs:	14 over three years	Construction Job Years (Indirect):	24

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs ³	\$1,750,000	\$794,250	\$1,750,000	\$1,020,500
Fiscal Benefits ⁴	\$2,196,693	\$2,085,600	\$3,715,779	\$4,271,980
Fiscal Cost /Direct Job	\$192,157	\$3,000	\$192,157	\$4,110
Fiscal Cost/Total Jobs	\$54,751	\$1,424	\$54,751	\$1,964
Fiscal B/C Ratio	1.26	7.00	2.12	10.60
	Project Results	Benchmarks		
Economic Benefits ⁵	\$28,542,968	\$119,468,000		
Econ. Benefits/Total Jobs	\$892,996	\$147,600		
Economic B/C Ratio	16.31	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

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Potsdam (North Country Region – St. Lawrence County) – Jeffords Steel Improvements 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: Jeffords Steel and Specialty Co., Inc DBA Jeffords Steel and Engineering Company (“Jeffords” or the “Company”)

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

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

Project Location: 145-147 Maple Street, Potsdam, St. Lawrence County

Proposed Project: Purchase of property for expansion of facility by 7,200 square feet and purchase of machinery and equipment

Project Type: Property acquisition and construction including job retention and job creation

Regional Council: The project is consistent with the North Country Regional Economic Development Council Plan to support and assist existing employers.

Employment: Initial employment at time of ESD Incentive Proposal: 24

Current employment level:	29
Minimum employment on January 1, 2019:	34

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Real Estate Purchase	\$264,000	
Infrastructure-site work	100,000	
Construction	550,000	
Machinery	600,000	
Engineering	<u>25,000</u>	
 Total Project Costs	 <u>\$1,539,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	300,000	19%
Company Equity	<u>1,239,000</u>	<u>81%</u>
 Total Project Financing	 <u>\$1,539,000</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: Manufacturing-Steel Fabricating

Company History: Jeffords Steel was formed in 1985 and is a supplier and fabricator of structural steel products for construction and industrial uses.

Ownership: Privately held

Size: Facilities are located in Potsdam and Plattsburgh

Market: The Company serves the regional fabrication and structural steel market.

ESD Involvement: Jeffords Steel needed financial assistance to expand and upgrade the machinery and equipment at its Potsdam facility. The Company applied for assistance through Round 6 of the Consolidated Funding application process and was awarded \$300,000 to assist with the financing. ESD made the Company an offer of assistance in February 2017 which the Company accepted in March 2017. The business expansion would not be possible without ESD assistance.

Competition: N/A.

Past ESD Support: The Company has not received ESD assistance for the past five years.

B. The Project

Completion: December 2018

Activity: Jeffords has acquired additional property, expanded its facility by 7,200 square feet and purchased equipment to increase production capacity needed to support demand for steel fabrication.

Results: Retain 24 existing jobs and create 10 new jobs

Business
Investment
Project:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$273,010;
- Fiscal cost to NYS government is estimated at \$300,000;
- Project cost to NYS government per direct job is \$41,016;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$23,874;
- Ratio of project fiscal benefits to costs to NYS government is 0.91:1;
- Fiscal benefits to all governments (state and local) are estimated at \$459,913;
- Fiscal cost to all governments is \$300,000;
- All government cost per direct job is \$41,016;
- All government cost per total job is \$23,874;
- The fiscal benefit to cost ratio for all governments is 1.53:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$3,513,425, or \$279,593 per job (direct and indirect);

- The economic benefit to cost ratio is 11.71:1;
- Project construction cost is \$375,000 which is expected to generate 7 direct job years and 4 indirect job years of employment;
- For every permanent direct job generated by this project, an additional .72 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is not calculated

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

Grantee Contact: Joshua Hotaling, CFO
 4398 Route 22
 Plattsburgj, NY 12901
 Phone: (518) 561-4061
 E-mail: jhotaling@jeffordssteel.com

ESD Project No.: AB441

Project Team:	Origination	Erin Hynes
	Project Management	John Vandello
	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 \$300,000 capital grant (\$3,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a

minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$300,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$150,000) will be disbursed upon documentation of real estate, construction and machinery and equipment project costs totaling \$1,539,000, upon completion of the project substantially as described in these materials, and documentation of the employment of at least 29 Full-time Permanent Employees at the Project Location (Employment Increment of 5), assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of 50% of an amount equal to the grant (\$150,000) will be disbursed upon documentation of the employment of at least 34 Full-time Permanent Employees at the Project Location (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 8, 2016, to be considered eligible project costs. All disbursements must be requested by April 1, 2021.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
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	24
A	B
Reporting Date	Employment Goals
February 1, 2018	24+X+Y
February 1, 2019	24+X+Y
February 1, 2020	24+X+Y
February 1, 2021	24+X+Y

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=5, and Employment Goals shall equal [24 + X = 29] 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=5, and Employment Goals shall equal [24 + X + Y = 34] 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.

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

The Village of Potsdam 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 July 6, 2017. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

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 in the performance of ESD contracts. As such, ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grantee shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 30% (\$90,000) related to the qualifying expenditures of \$300,000. ESD's funding. Grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and to include minorities and women in any job opportunities created by the project.

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

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 Jeffords Steel Improvements 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 Jeffords Steel and Engineering Company, Inc. a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

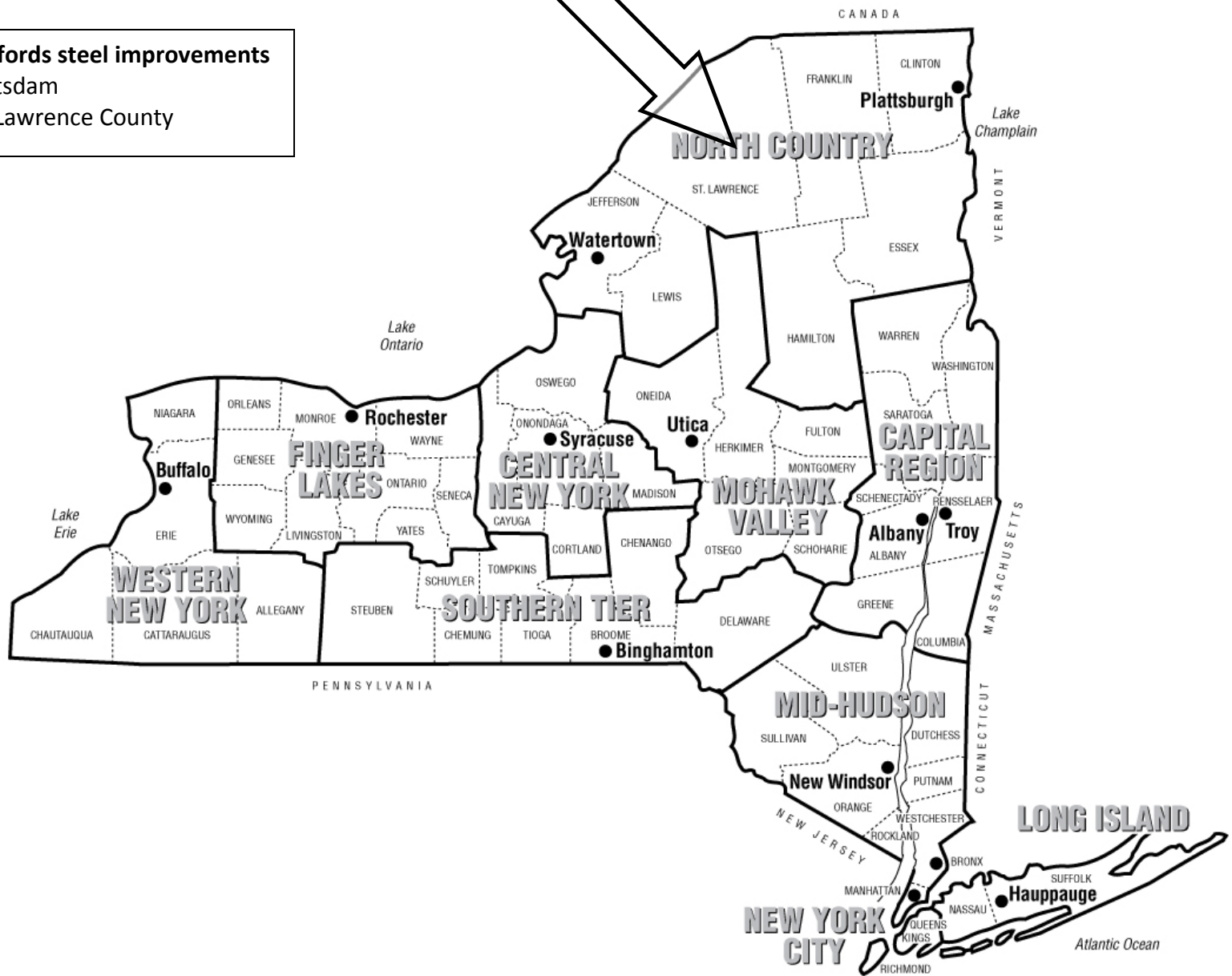
August 16, 2018

Regional Council Award – Potsdam (North Country Region – St. Lawrence County) –
Jeffords Steel Improvements 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 Jeffords Steel Improvements Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Jeffords steel improvements
Potsdam
St Lawrence County



**Project Summary
Benefit-Cost Evaluation¹**

Jeffords Steel and Engineering Company Inc. – Business Investment

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

Initial Jobs:	24	Construction Job Years (Direct):	7
New Jobs:	10 over two years	Construction Job Years (Indirect):	4

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$300,000	\$794,250	\$300,000	\$1,020,500
Fiscal Benefits⁴	\$273,010	\$2,085,600	\$459,913	\$4,271,980
Fiscal Cost /Direct Job	\$41,016	\$3,000	\$41,016	\$4,110
Fiscal Cost/Total Jobs	\$23,874	\$1,424	\$23,874	\$1,964
Fiscal B/C Ratio	0.91	7.00	1.53	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$3,513,425	\$119,468,000		
Econ. Benefits/Total Jobs	\$279,593	\$147,600		
Economic B/C Ratio	11.71	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

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award - Priority Project - Tuxedo Park (Mid-Hudson Region – Orange County) – Tuxedo Sloatsburg Corridor Revitalization 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: Tuxedo Hudson Management, LLC (“THM” or the “Company”)

ESD* Investment: A grant of up to \$750,000 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 Locations: 23 Mill Street, Tuxedo Park, Rockland County
29 Mill Street, Rockland County
68 Orange Turnpike, Rockland County
70 Orange Turnpike, Rockland County
74 Orange Turnpike, Rockland County
78 Orange Turnpike, Rockland County
78A Orange Turnpike, Rockland County
88 Orange Turnpike, Rockland County

Proposed Project: Revitalization of the Tuxedo Sloatsburg Route 17 Corridor

Project Type: Business renovation including job creation

Regional Council: The Mid Hudson Regional Economic Development Council has been made aware of this item. The project is consistent with the Mid Hudson Regional Economic Development Council Plan to support the revitalization of urban centers as engines of regional prosperity.

Employment: Initial employment at time of ESD Incentive Proposal: 6
Current employment level: 18
Minimum employment on January 1, 2020: 27*

*New employees cannot be transferred from other NYS locations; this includes 3 full-time permanent employees for the hotel portion of the project.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$1,440,000
Construction/Renovation	3,439,395
Furniture, Fixtures, & Equipment	538,282
Soft Costs	<u>147,434</u>

Total Project Costs \$5,565,111

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$750,000	13%
Company Equity	<u>4,815,111</u>	<u>87%</u>
Total Project Financing	<u>\$5,565,111</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Real Estate Development

Company History: The Company was founded in January 2016 to manage the revitalization of the Tuxedo-Sloatsburg Corridor on Route 17 covering both Rockland and Orange Counties. The Company manages and disburses all monies for the project's asset purchases, renovations, and staffs the businesses as they begin operations.

Ownership: Tuxedo Hudson Management, LLC is privately-owned.

Size: The Company's main offices are in Tuxedo Park, NY and the Company owns two other buildings in Sloatsburg, NY.

ESD Involvement: The properties included in the Tuxedo Sloatsburg Corridor Revitalization Project were vacant and/or underutilized and a source of blight on the communities of Tuxedo and Sloatsburg. The revitalization of the Corridor will transform the area into a hub of activity, drawing in tourists and local residents, and create jobs for many different skill levels of workers.

Due to a shortfall in its budget, the Company applied for funding through the Consolidated Funding Application process and was awarded a \$750,000 grant to assist in the financing of the project.

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

B. The Project

Completion: October 2017

Activity: The Company renovated 8 properties which included: the renovation at 88 Orange Turnpike which was converted into a bike shop and club with room for club members to store their bikes; the building located at 29 Mill Street was deemed to be structurally unsound, so the building was demolished and an event space was put in its place; the row of Victorian homes located at 68, 70, 74, and 78 Orange Turnpike were renovated in a historic spirit and turned into a 22-room hotel named the Seven Lakes Inn Hotel; renovations were completed on the "blue barn" building at the Organic Hudson Valley Focused Market and Food Truck located at 78A Orange Turnpike; and the residence at 23 Mill Street was renovated and converted into a commissary kitchen for the Organic Hudson Valley Focused Market and Food Truck.

Results: Retain 6 jobs and create 21 new jobs, including 3 jobs associated with the hotel portion of the project. The Company has already created 12 new jobs and retained 6 existing 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.

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 \$744,173;
- Fiscal cost to NYS government is estimated at \$750,000;
- Project cost to NYS government per direct job is \$49,645;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$34,085;
- Ratio of project fiscal benefits to costs to NYS government is 0.99:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,368,488;
- Fiscal cost to all governments is \$750,000;
- All government cost per direct job is \$49,645;
- All government cost per total job is \$34,085;
- The fiscal benefit to cost ratio for all governments is 1.82:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$9,961,511, or \$452,717 per job (direct and indirect);
- The economic benefit to cost ratio is 13.28:1;
- Project construction cost is \$4,174,075, which is expected to generate 27 direct job years and 14 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.46 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is seven years.

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

Grantee Contact: Michael Bruno, Owner
3 Store Road
Tuxedo Park, NY 10987
Phone: 845-915-3349
E-mail: cathy@loopem.com

ESD Project No.: AB947

Project Team:	Origination	Whitney Bowers
	Project Management	Arturo Rodriguez
	Legal	Maria Cassidy
	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 \$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. Michael Bruno will guarantee the grant repayment obligation of Tuxedo Hudson Management, LLC in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or grants from a government source.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$750,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$375,000) upon documentation of renovation / real estate acquisition/ machinery and equipment project costs totaling \$5,565,111, including \$3,439,395 in construction/renovation costs, a Certificate of Occupancy, and documentation of the employment of at least 6 Full-time Permanent Employees at the Project Locations, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$187,500) will be disbursed upon documentation of the employment of at least 17 Full-time Permanent Employees at the Project Locations (Employment Increment of 11), provided Grantee is otherwise in compliance with program requirements;

c) a Third Disbursement of an amount equal to 25% of the grant (\$187,500) will be disbursed upon documentation of the employment of at least 27 Full-time Permanent Employees at the Project Locations (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after December 8, 2016 to be considered eligible project costs. All disbursements must be requested by April 1, 2022.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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.
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+Y
February 1, 2020	6+X+Y
February 1, 2021	6+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=11, and Employment Goals shall equal $[6 + X = 17]$ 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 X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=10, and Employment Goals shall equal $[6 + X + Y = 27]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

D. Labor Peace

Public Authorities Law Section 2879-b regarding Labor Peace 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 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

The Board of Trustees of the Village of Sloatsburg, as lead agency, has completed an environmental review of the inn hotel project at 68, 70, 74 and 78 Orange Turnpike in Sloatsburg 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 ("NYSDEC"). This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on May 3, 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.

ESD staff has determined that the remaining projects at 23 and 27 Mill Street and 78A and 88 Orange Turnpike in Sloatsburg constitute Type II actions as defined by SEQRA and the implementing regulations of NYSDEC. No further environmental review is required in connection with the remaining projects.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

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

VIII. Additional Submissions to Directors

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

August 16, 2018

Regional Council Award - Priority Project - Tuxedo Park (Mid-Hudson Region – Orange County) – Tuxedo Sloatsburg Corridor Revitalization 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 Tuxedo Sloatsburg Corridor Revitalization 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 Tuxedo Hudson Management, 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 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.

* * *

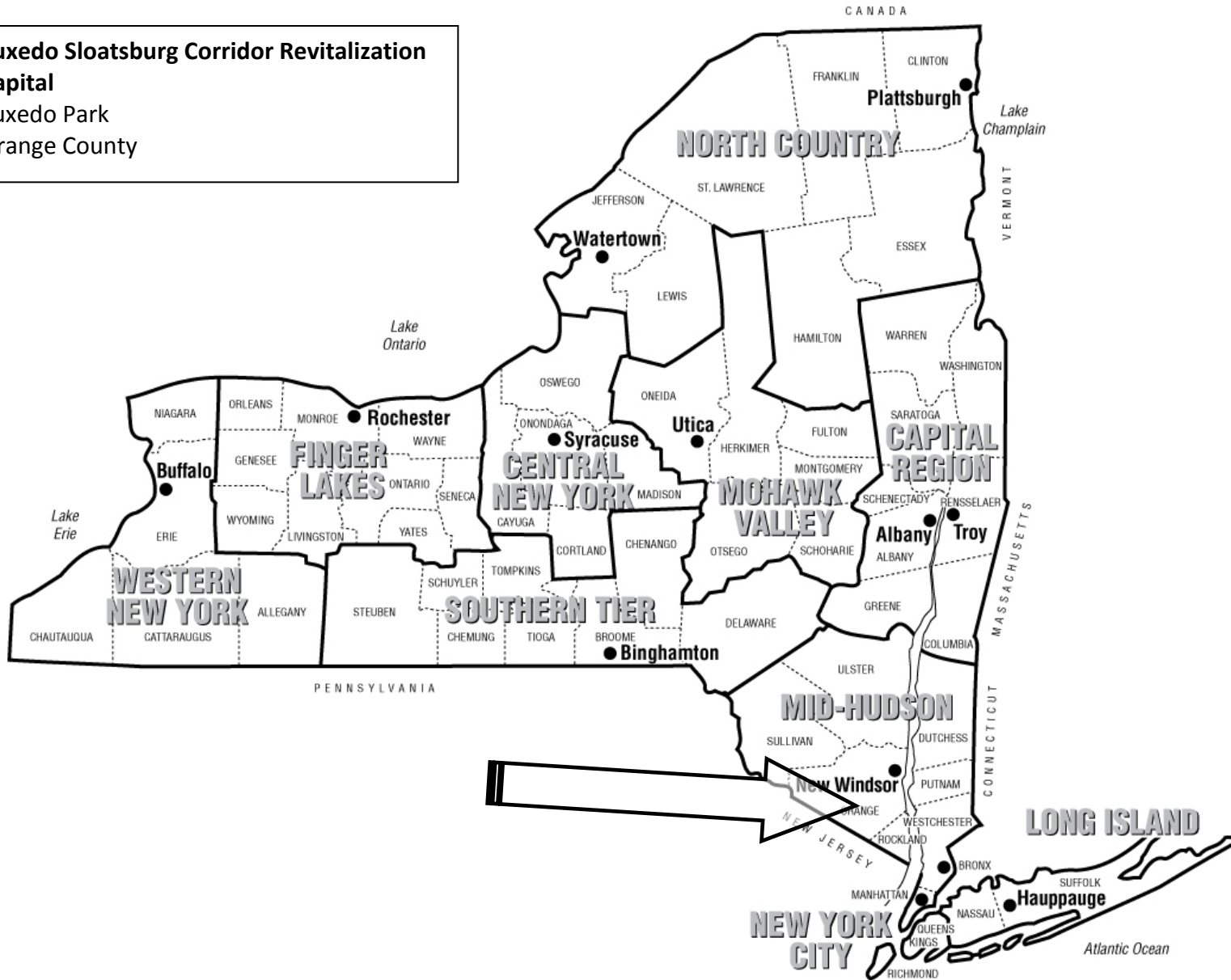
August 16, 2018

Regional Council Award - Priority Project - Tuxedo Park (Mid-Hudson Region – Orange County) – Tuxedo Sloatsburg Corridor Revitalization 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 Tuxedo Sloatsburg Corridor Revitalization Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

**Tuxedo Sloatsburg Corridor Revitalization
Capital**
Tuxedo Park
Orange County



**Project Summary
Benefit-Cost Evaluation¹**

Tuxedo Hudson Management 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):	27
New Jobs:	21	Construction Job Years (Indirect):	14

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	\$744,173	\$2,085,600	\$1,368,488	\$4,271,980
Fiscal Cost /Direct Job	\$49,645	\$3,000	\$49,645	\$4,110
Fiscal Cost/Total Jobs	\$34,085	\$1,424	\$34,085	\$1,964
Fiscal B/C Ratio	0.99	7.00	1.82	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$9,961,511	\$119,468,000		
Econ. Benefits/Total Jobs	\$452,717	\$147,600		
Economic B/C Ratio	13.28	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

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Rome (Mohawk Valley Region – Oneida County) – City of Rome Riverwalk Village Capital – Economic Transformation 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 Rome (“Rome” or the “City”)

ESD* Investment: A grant of up to \$1,500,000 to be used for a portion of the cost of demolition, environmental controls, and soft project costs

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

Project Location: Park Drive Estates, Rome, Oneida County

Proposed Project: The City will demolish abandoned and decaying buildings near the former Griffiss Air Force Base (“Site”) to create a mixed-use development site

Project Type: Demolition of existing structures

Regional Council: The Mohawk Valley Regional Economic Development Council has been made aware of this item.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Demolition	\$1,295,399	
Environmental Controls	211,867	
Soft Costs	<u>159,013</u>	
Total Project Costs	<u>\$1,666,279</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,500,000	90%
Grantee Equity	<u>166,279</u>	<u>10%</u>
Total Project Financing	<u>\$1,666,279</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Municipal government

Company History: Rome, located in Oneida County, is one of two principal cities in the Utica–Rome Metropolitan Statistical Area. Following the Revolutionary War, the City began to develop with the construction of the Rome Canal in 1796, which connected Wood Creek and Lake Ontario to the Mohawk River. The Town of Rome was formally created in 1796 as a section of Oneida County. The Town of Rome was converted from a town to a city by the New York State Legislature on February 23, 1870.

Ownership: The City is a municipality.

Size: All facilities are located in Rome, NY. The population was 33,725 at the 2010 census.

Market: N/A

ESD Involvement: The Site contained approximately 147 structures that had been vacant and abandoned for approximately two decades, following the Griffiss Air Force Base closure in 1995. Each of these structures have been surveyed, inventoried and determined to be unfit or unsafe under the Rome City Codes Enforcement Office and recommended for demolition. The administration, Common Council, and stakeholders of the City each recognize the potential for mixed-use development on this Site and have

proactively sought to eliminate urban blight caused by the large number of abandoned and decaying structures. The City has completed a sustainable mixed-use revitalization plan to advance smart growth principles and to complement the surrounding residential, commercial, and industrial districts; provide opportunities for strategic development in alignment with regional strategies, industry concentrations, and educational initiatives to create new jobs and attract a 21st Century workforce; and leverage the natural, cultural and historic resources to improve quality of life in Rome and the Mohawk Valley. To assist with the financing of the project, ESD awarded a \$1,500,000 grant from the Economic Transformation Fund.

Competition: N/A

Past ESD Support: Funding for the past five years to the Grantee, totaling \$8.5 million, is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Economic Transformation Program Fund	Z086	\$8,500,000	April 16, 2015	December 31, 2019	Capital - Installation and expansion of public water and sewer infrastructure

B. The Project

Completion: July 2018

Activity: The City of Rome acquired the former Park Drive Estates parcels as well as the former Patriot Wright Park Manor parcel totaling more than 80 acres of land adjacent to the Mohawk Valley Community College ("MVCC") Rome Campus, Griffiss Business and Technology Park, Rome Free Academy and the Mohawk River Trail. The site is less than 10 miles from the closed Mohawk Correctional Facility. The City of Rome is the sole owner of all properties, rights of way, structures, and infrastructure therein.

The 147 vacant and abandoned structures were surveyed, inventoried and determined to be unfit or unsafe under the Rome City Codes Enforcement Office and recommended for demolition. The administration, after completing a revitalization plan to advance Smart Growth principles and to complement the surrounding residential,

commercial, and industrial districts demolished the structures to create a site that is ready for development.

Results: This project will result in a shovel-ready mixed-use redevelopment opportunity site for the City of Rome.

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: Larry Daniello, Chief of Staff
198 North Washington Street
Rome NY 13440
Phone: (315) 838-1720
E-mail: ldaniello@romecitygov.com

ESD Project No.: AB021

Project Team:	Origination	Mark LaBuzzetta
	Project Management	Saul Maneiro
	Contractor & Supplier Diversity	Danah Alexander
	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 \$1,500,000 (\$15,000) 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 \$1,500,000 will be disbursed to Grantee upon documentation of demolition, environmental controls, and soft project costs totaling \$1,650,000, 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 July 18, 2016 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 \$1,500,000, 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 – Economic Transformation Program

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, although the funding of the demolition project by ESD may constitute an “action” as defined by the State Environmental Quality Review Act (“SEQRA”), the project itself has been previously completed. ESD’s action in the funding decision will not alter the adverse environmental impacts, if any, of the project as completed. ESD staff accordingly believes that funding the completed project will not have any significant adverse impacts on the environment. Therefore, it is recommended that the Directors make a Determination of No Significant Effect on the Environment.

No specific project plan, proposal for development, or change in the type or intensity of use of the site is currently proposed. At such time as any future development plan is proposed, it will be subject to 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 Business Enterprise (“MWBEs”) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD’s funding.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

August 16, 2018

Rome (Mohawk Valley Region – Oneida County) – City of Rome Riverwalk Village Capital – Economic Transformation 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 Rome Riverwalk Village Capital -- Economic Transformation 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 Rome a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Economic Transformation 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.

* * *

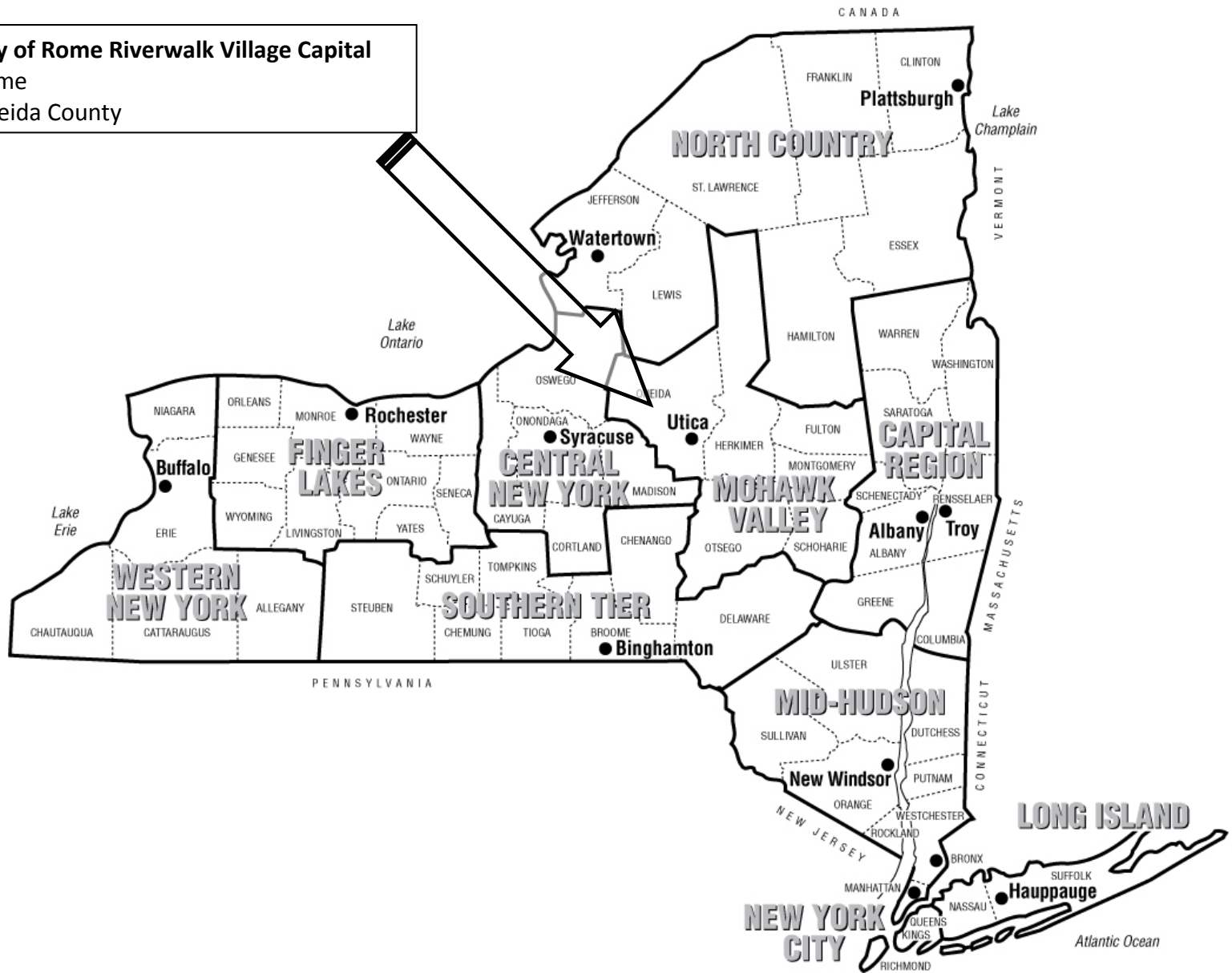
August 16, 2018

Rome (Mohawk Valley Region – Oneida County) – City of Rome Riverwalk Village Capital
– Economic Transformation 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 City of Rome Riverwalk Village Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

City of Rome Riverwalk Village Capital
Rome
Oneida County



FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Pavilion (Finger Lakes Region – Genesee County) – WNY Cheese Enterprise Capital – Upstate Revitalization Initiative (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: WNY Cheese Enterprise, LLC (“WNYCE” or the “Company”)

ESD* Investment: A grant of up to \$1,300,000 to be used for a portion of the cost of construction, renovations, and the purchase of machinery and equipment

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

Project Location: 1842 Craig Road, Pavilion, Genesee County

Proposed Project: Construction of a 30,000-square-foot facility and installation of machinery & equipment for the production of bulk cheese

Project Type: Business expansion involving job retention and creation

Regional Council: The Finger Lakes Regional Economic Development Council (“FLREDC”) has been made aware of this item. The project is consistent with the FLREDC’s Plan as agricultural businesses are one of the three strategic industry sectors of focus. The project was also included in the URI United for Success Finger Lakes Plan and FLREDC strongly supports the attraction, retention and expansion of dairy related production to grow

jobs and increase wealth in the region.

Employment: Initial employment at time of ESD Incentive Proposal: 0
Current employment level: 22
Minimum employment on January 1, 2020: 30

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$7,400,000
Infrastructure/Site Work	4,000,000
Machinery and Equipment	30,300,000
Design & Planning	<u>8,000,000</u>

Total Project Costs \$49,700,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$1,300,000	3%	
Revolving Credit Loan	4,500,000	8%	LIBOR +/-1 yr/NA
Building and Term Loan	30,600,000	62%	LIBOR +/-10 yrs/NA
Company Equity	<u>13,300,000</u>	<u>27%</u>	
Total Project Financing	<u>\$49,700,000</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Cheese Manufacturing

Company History: WNYCE was formed in 2016 as a compliment to the adjacent Craigs Station Creamery. It is designed to utilize local milk supply to manufacture premium grade cheese.

Ownership: WNYCE is a consolidated subsidiary of Dairy Farmers of America, Inc.

Size: All facilities are located in Pavilion, NY.

Market: WNYCE is focused on supplying high quality cheese to customers throughout the United States. The Company partners with Arla Foods of Denmark to deliver cheese through multiple retail channels.

ESD Involvement: Dairy Farmers of America Inc. ("DFA") is a national milk marketing cooperative in the United States. It is owned by and serves nearly 15,000 dairy farmer-members representing more than 9,000 dairy farms in 48

states. DFA markets members' raw milk and sells milk and derivative products to wholesale buyers. DFA is the primary investor reviewing multiple locations throughout the country for a cheese processing facility. The proposed 30,000 square foot facility would utilize local milk supply to produce 40 pound blocks of cheese which will be sold to entities that will package the product in various sizes and shapes. An additional benefit of having this facility located at the site in Pavilion is that higher levels of capacity will be generated for the adjacent Craigs Station Creamery facility. This will sustain current employee counts at the creamery and create additional long term positions at the facility.

In order to reduce costs and make the project feasible in New York, in April 2016, ESD offered a package of incentives which included a \$1,300,000 capital grant and up to \$700,000 in performance-based Excelsior Jobs Program tax credits.

Competition: Other U.S. locations
Past ESD Support: This is the Company's first project with ESD.

B. The Project

Completion: February 2018
Activity: WNYCE will construct a new production facility with new processing machinery and equipment. WNYCE will construct a facility designed to manufacture 40-pound blocks of cheese with an annual volume of 15-17 million pounds. The blocks will be transported to outside locations where finished format and packaging will occur.
Results: Create 30 jobs. The Company has already created 22 new jobs.

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

Evaluated over a seven-year period, the following are anticipated project

impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$2,193,768;
- Fiscal cost to NYS government is estimated at \$1,790,190;
- Project cost to NYS government per direct job is \$91,071;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$42,716;
- 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 \$3,818,761;
- Fiscal cost to all governments is \$1,790,190;
- All government cost per direct job is \$91,071;
- All government cost per total job is \$42,716;
- The fiscal benefit to cost ratio for all governments is 2.13:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$28,942,434, or \$690,595 per job (direct and indirect);
- The economic benefit to cost ratio is 16.17:1;
- Project construction cost is \$14,250,000, which is expected to generate 115 direct job years and 72 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 one year.

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

Grantee Contact: Brian Paris, Manage
1840 Craig Road
Pavilion, NY 14525
Phone: (585) 243-6516
E-mail: bparis@dfamilk.com

ESD Project No.: AA880

Project Team:	Origination	Stephen Golding
	Project Management	Paul Matrose
	Contractor & Supplier Diversity	Geraldine Ford
	Finance	Tim Anderson
	Design & Construction	Marty Piecuch
	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 \$1,300,000 capital grant (\$13,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or grants from a government source.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$1,300,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$650,000) upon documentation of total project expenditures of \$49,700,000 including purchase and installation of \$30,300,000 in machinery and equipment, a Certificate of Occupancy, and documentation of the employment of at least 19 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$325,000) will be disbursed upon documentation of the employment of at least 25 Full-time Permanent Employees at the Project Location (Employment Increment of 6), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$325,000) will be disbursed upon documentation of the employment of at least 30 Full-time Permanent Employees at the Project Location (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 19, 2016, 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 \$1,300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
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=19, and Employment Goals shall equal $0+ X = 19$) 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=6, and Employment Goals shall equal $[0+ X + Y = 25]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

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

IV. Statutory Basis – Upstate Revitalization Initiative

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 Town of York 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on May 5, 2016. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The 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 \$45,000. As such, the goal MWBE utilization shall be no less than \$13,500.

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

August 16, 2018

Pavilion (Finger Lakes Region – Genesee County) – WNY Cheese Enterprise Capital – Upstate Revitalization Initiative (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to WNY Cheese Enterprise, LLC a grant for a total amount not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000) from the Upstate Revitalization Initiative, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

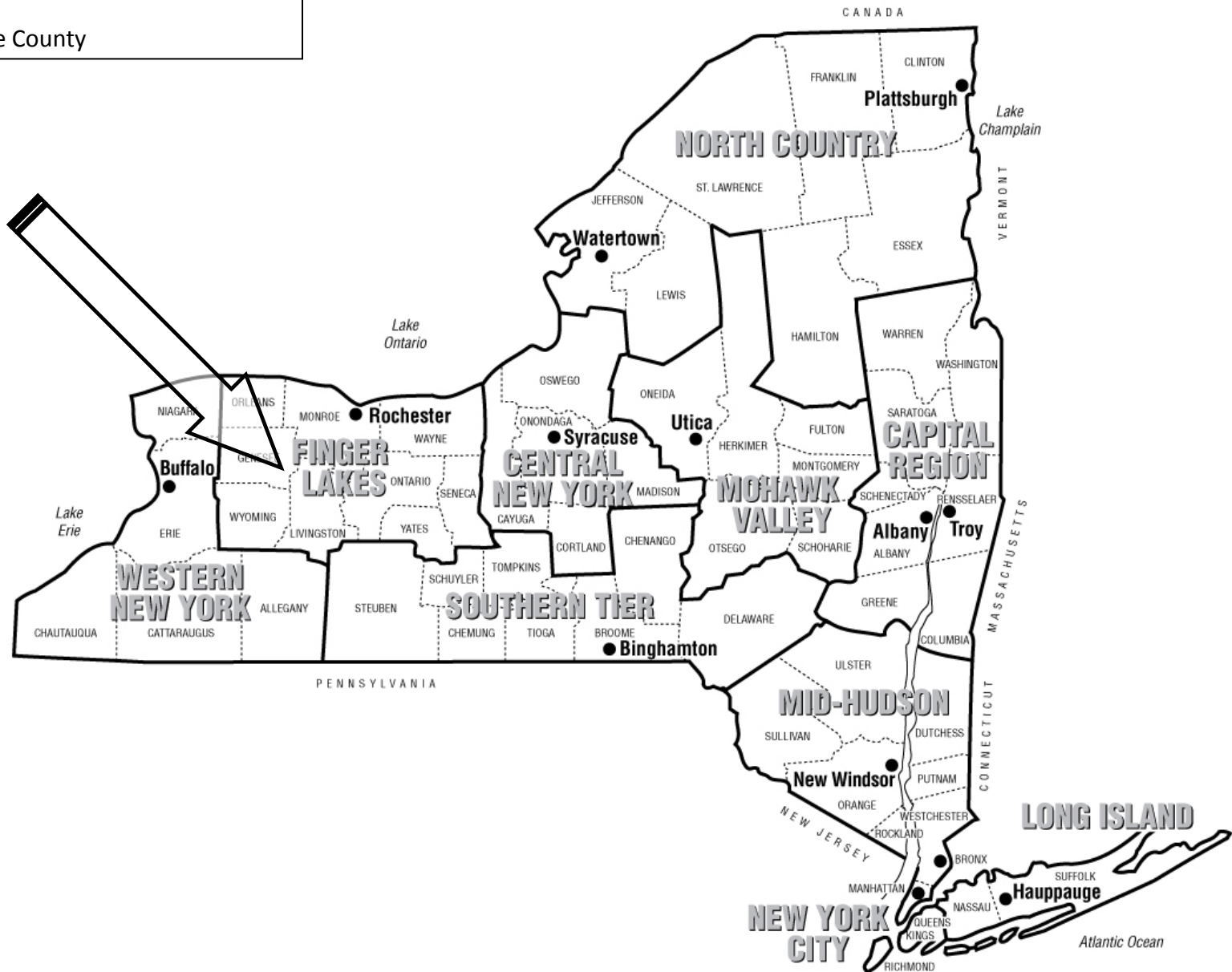
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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

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

* * *

WNY Cheese Enterprise Capital Pavilion
Genesee County



**Project Summary
Benefit-Cost Evaluation¹**

WNY Cheese Enterprise, 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):	115
New Jobs:	30 over five years	Construction Job Years (Indirect):	72

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$1,790,190	\$794,250	\$1,790,190	\$1,020,500
Fiscal Benefits⁴	\$2,193,768	\$2,085,600	\$3,818,761	\$4,271,980
Fiscal Cost /Direct Job	\$91,071	\$3,000	\$91,071	\$4,110
Fiscal Cost/Total Jobs	\$42,716	\$1,424	\$42,716	\$1,964
Fiscal B/C Ratio	1.23	7.00	2.13	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$28,942,434	\$119,468,000		
Econ. Benefits/Total Jobs	\$690,595	\$147,600		

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

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: New NY Broadband Program – Phase 3 Awards, New NY Broadband 2015-16 Capital Fund – Consent Calendar

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

General Project Plan

I. Project Summary

New NY Broadband Program - 2015-16 Capital Fund

Project Number	Grantee	Project Name	County	Region	Grant Amount
AC809	Clarity Fiber Solutions, LLC	Cortland-Chenango FTTH Broadband Capital	Broome, Chenango, Cortland, Onondaga, and Tioga Counties	Central NY and Southern Tier	\$12,391,484
AC810	Clarity Fiber Solutions, LLC	Tompkins FTTH Broadband Capital	Tompkins County	Southern Tier	\$1,243,190
AC811	DTC Cable, Inc.	DCBI Broadband Capital Project	Chenango, Delaware, and Otsego Counties	Southern Tier and Mohawk Valley	\$5,329,453
AC813	Edwards Telephone Company, Inc. (d/b/a TDS Telecom)	Edwards Tel NY BB Phase III Broadband Capital	St. Lawrence County	North Country	\$918,387

AC814	Germantown Telephone Company (d/b/a Gtel Teleconnections)	Phase 3 Unserved GTel Out of Territory Broadband Capital	Columbia County	Capital Region	\$28,109
AC816	Haefele TV Inc.	Haefele TV Phase 3 Unserved Broadband Capital	Chemung, Schuyler,Steuben, Tioga, and Tompkins Counties	Southern Tier	\$1,619,345
AC819	John R Guzzo, LLC (d/b/a Hudson Valley Wireless)	Connecting the Capital District Phase 3 (Unserved) Broadband Capital	Albany, Rensselaer, Saratoga, Schenectady, Schoharie, and Washington Counties	Capital District and Mohawk Valley	\$2,710,497
AC821	Mid-Hudson Data Corp	Phase III Unserved Broadband Capital	Albany, Columbia and Greene Counties	Capital District	\$3,649,999
AC823	Otsego Electric Cooperative, Inc. (d/b/a Otsego Rural Broadband)	Otsego Rural Broadband Phase 3 Broadband Capital	Otsego and Herkimer Counties	Mohawk Valley	\$1,440,693
AC833	The Middleburgh Telephone Company (MIDTEL)	Round 3 MIDTEL Unserved Broadband Capital	Albany County	Capital District	\$2,318,108

II. Program Description

A. Background

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

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

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

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

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

Most recently, in March 2018, the BPO announced the Program’s third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$388 million (\$225 million in State funding and \$163 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC’s Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

B. The Project

See attached Consent and Directors Affirmation Materials.

III. Statutory Basis

The Program was authorized in the FY 2015-16 New York State enacted budget, and re-appropriated in the 2017-2018 and 2018-2019 New York State Budget. No residential relocation is required as there are no families or individuals residing on the site.

IV. Environmental Review

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

V. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the “SG Act”), ESD’s Smart Growth Advisory Committee has reviewed a Smart Growth Impact Statement for these New NY Broadband Program Phase 3 projects and determined that the projects are consistent with the State Smart Growth Public Infrastructure Criteria (“Smart Growth Criteria”). The designee of the Chief Executive Officer of the Corporation has attested that the projects, to the extent practicable, meet the relevant Smart Growth Criteria set forth in the SG Act.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

ESD’s Employment Enforcement Policy will not apply since the project will not directly create or retain jobs. The purpose of the grants is to extend broadband service meeting the Program’s requirements to areas lacking such service. Progress will be measured based on the deployment of service to Census Blocks, households, and other locations.

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

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

IX. Additional Submissions to Directors

Resolutions

Project Summaries

August 16, 2018

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

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

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

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

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

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

New NY Broadband Program – 2015-16 Capital Fund

Project Number	Grantee	Project Name	County	Region	Grant Amount
AC809	Clarity Fiber Solutions, LLC	Cortland-Chenango FTTH Broadband Capital	Broome, Chenango, Cortland, Onondaga, and Tioga Counties	Central NY and Southern Tier	\$12,391,484
AC810	Clarity Fiber Solutions, LLC	Tompkins FTTH Broadband Capital	Tompkins County	Southern Tier	\$1,243,190
AC811	DTC Cable, Inc.	DCBI Broadband Capital Project	Chenango, Delaware, and Otsego Counties	Southern Tier and Mohawk Valley	\$5,329,453
AC813	Edwards Telephone Company, Inc. (d/b/a TDS Telecom)	Edwards Tel NY BB Phase III Broadband Capital	St. Lawrence County	North Country	\$918,387
AC814	Germantown Telephone Company (d/b/a Gtel Teleconnections)	Phase 3 Unserved GTel Out of Territory Broadband Capital	Columbia County	Capital Region	\$28,109
AC816	Haefele TV Inc.	Haefele TV Phase 3 Unserved Broadband Capital	Chemung, Schuyler, Steuben, Tioga, and Tompkins Counties	Southern Tier	\$1,619,345
AC819	John R Guzzo, LLC (d/b/a Hudson Valley Wireless)	Connecting the Capital District Phase 3 (Unserved) Broadband Capital	Albany, Rensselaer, Saratoga, Schenectady, Schoharie, and Washington Counties	Capital District and Mohawk Valley	\$2,710,497
AC821	Mid-Hudson Data Corp	Phase III Unserved Broadband Capital	Albany, Columbia and Greene Counties	Capital District	\$3,649,999

AC823	Otsego Electric Cooperative, Inc. (d/b/a Otsego Rural Broadband)	Otsego Rural Broadband Phase 3 Broadband Capital	Otsego and Herkimer Counties	Mohawk Valley	\$1,440,693
AC833	The Middleburgh Telephone Company (MIDTEL)	Round 3 MIDTEL Unserved Broadband Capital	Albany County	Capital District	\$2,318,108

and be it further

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

* * *

A. Clarity Fiber Solutions - Cortland-Chenango FTTH Broadband Capital (AC809)

August 16, 2018

General Project Plan

- Grantee:** Clarity Fiber Solutions, LLC (“Clarity Fiber Solutions” or the “Company”)
- ESD Investment:** A grant of up to \$12,391,484 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Central New York and Southern Tier Regions of New York State.
- Project Location:** Broome, Chenango, Cortland, Onondaga, and Tioga Counties
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Central New York and Southern Tier Regional Economic Development Councils have been made aware of this item. The Incentive Proposal was accepted in May of 2018. The project is consistent with the Regional Plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the regions.

Background:

Industry - Internet Service Provider (“ISP”); Business Corporation

Company History – The Company was founded in 2017 with the goal of providing fiber-based Internet to rural areas of New York State. Clarity Fiber Solutions is a sister company to Clarity Connect, Inc. (formed in 1995), which offers customers high-speed wireless Internet service, website hosting, and Internet-related services.

Ownership – The Company is privately-held.

Size - With facilities based in Ithaca, New York, Clarity Fiber Solutions serves New York State residents in Tompkins, Cayuga, Tioga, Otsego and Delaware Counties, as well as the Towns of Athens and Sayre in Pennsylvania.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. “Download speeds” refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files through email, stream video, or use cloud-based services. Upload speeds refer to the

Clarity Fiber Solutions - Cortland-Chenango FTTH Broadband Capital (AC809)

August 16, 2018

speeds at which data is transmitted by an Internet user to another user, to a website, or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

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

ESD Involvement - In 2015, New York State (the "State") created the \$500 million New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative "reverse-auction" methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office (BPO) announced the Program's initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program's second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program's third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC's Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

Clarity Fiber Solutions - Cortland-Chenango FTTH Broadband Capital (AC809)

August 16, 2018

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

The Project:

Completion: Network Construction: December 31, 2019

Customer Installations: December 31, 2021

Activity - The project will construct a Fiber to the Home (“FTTH”) network to the proposed service area. The last mile technology will be Active Ethernet via optical fiber with future scaling possibilities.

Results – Expand broadband access to 2,954 Housing Units (“HUs”) and 115 Other Units. (See Table A, which describes all Key Project Indicators.)¹

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$709,000	ESD Grant	\$12,391,484	80%
Outside Plant Costs	11,694,040	Company Equity	1,548,936.50	10%
Building and Land Costs	210,000	Additional Financial Commitment	1,548,936.50	10%
Drop and Eligible Customer Premises Equipment	1,981,317			
Other Upfront Costs (tools and equipment)	895,000			
Total Project Costs	\$15,489,357	Total Project Financing	\$15,489,357	100%

Grantee Contact - Chuck Bartosch, CEO
 Clarity Fiber Solutions, LLC
 200 Pleasant Grove Rd
 Ithaca, NY 14850
 Phone: (607) 227-5500

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Connor Corcoran
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

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

Clarity Fiber Solutions - Cortland-Chenango FTTH Broadband Capital (AC809)

August 16, 2018

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$12,391,484 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project

Clarity Fiber Solutions - Cortland-Chenango FTTH Broadband Capital (AC809)

August 16, 2018

costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
 - (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - (iii) Where proposed construction or equipment or other items (leases, expenses,

Clarity Fiber Solutions - Cortland-Chenango FTTH Broadband Capital (AC809)

August 16, 2018

indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible

- (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
 - (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
 - (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
 - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.
9. Eligible Expense Categories include but are not limited to the following:
- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
 - (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
 - (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
 - (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
 - (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
 - (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
 - (vii) Testing: Includes items such as testing network and IT systems, user devices,

Clarity Fiber Solutions - Cortland-Chenango FTTH Broadband Capital (AC809)

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servers, lab furnishing and test generators.

(viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.

10. Ineligible Expenses included but are not limited to the following:

- (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
- (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
- (iii) Operating expenses of the Grantee will not be funded.
- (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.

11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$12,391,484, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.

- (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vi. 50% of the disbursed amount if 41% to 50% of the Milestones and

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- Indicators are completed by the time of submitting final reporting requirements;
- vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements
13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.
14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the Grantee's entire service area.
15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use

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Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 23% related to the total value of ESD's funding.

Statutory Basis – New NY Broadband Program:

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 and 2018-19 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Basic Project Information	
Project Name	Cortland-Chenango FTTH Broadband Capital
Project ID Number	AC809
Contact Name	Chuck Bartosch
Contact Number	(607) 227-5500
Website	
Email	chuck@clarityconnect.com
Company	Clarity Fiber Solutions, LLC
REDC(s)	Central NY and Southern Tier
County(ies)	Broome, Chenango, Cortland, Onondaga, and Tioga Counties
NYS Assembly District #s	122, 124, 125, 126, 127
NYS Senate District #s	50, 51, 52, 53
U.S. Congressional District #s	22, 23, 24
Total Census Blocks to be passed by project	600
Total Units to be passed by project	3,069
Total Project Cost (state + private)	\$15,489,357
Total Applicant Private Match	\$3,097,873
Total Grant Amount (\$)	\$12,391,484
Max speeds offered (download/upload)	1000Mbps / 1000Mbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress

Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	2,954
Other Units Passed	115
TOTAL Units Passed	3,069
Census Blocks Passed***	600
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	\$60
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	25 Mbps
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	624
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	624
Number of Towers Connected	0
Number of New Interconnection Points	2
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$2,850,041.32
Eligible Project Expenditures (\$) Made	\$12,391,484
Private Match (\$)	\$3,097,873
Speed Tiers & Pricing	Max Download Speed Offered
Residential	25 Mbps
Residential	40 Mbps (proposed)
Residential	100 Mbps (proposed)
Residential	300 Mbps (proposed)
Residential	1000 Mbps (proposed)
Commercial	N/A

Network Construction Completion Date:	December 31, 2019
Customer Installations Completion Date:	December 31, 2021
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	

Table B: Project Footprint

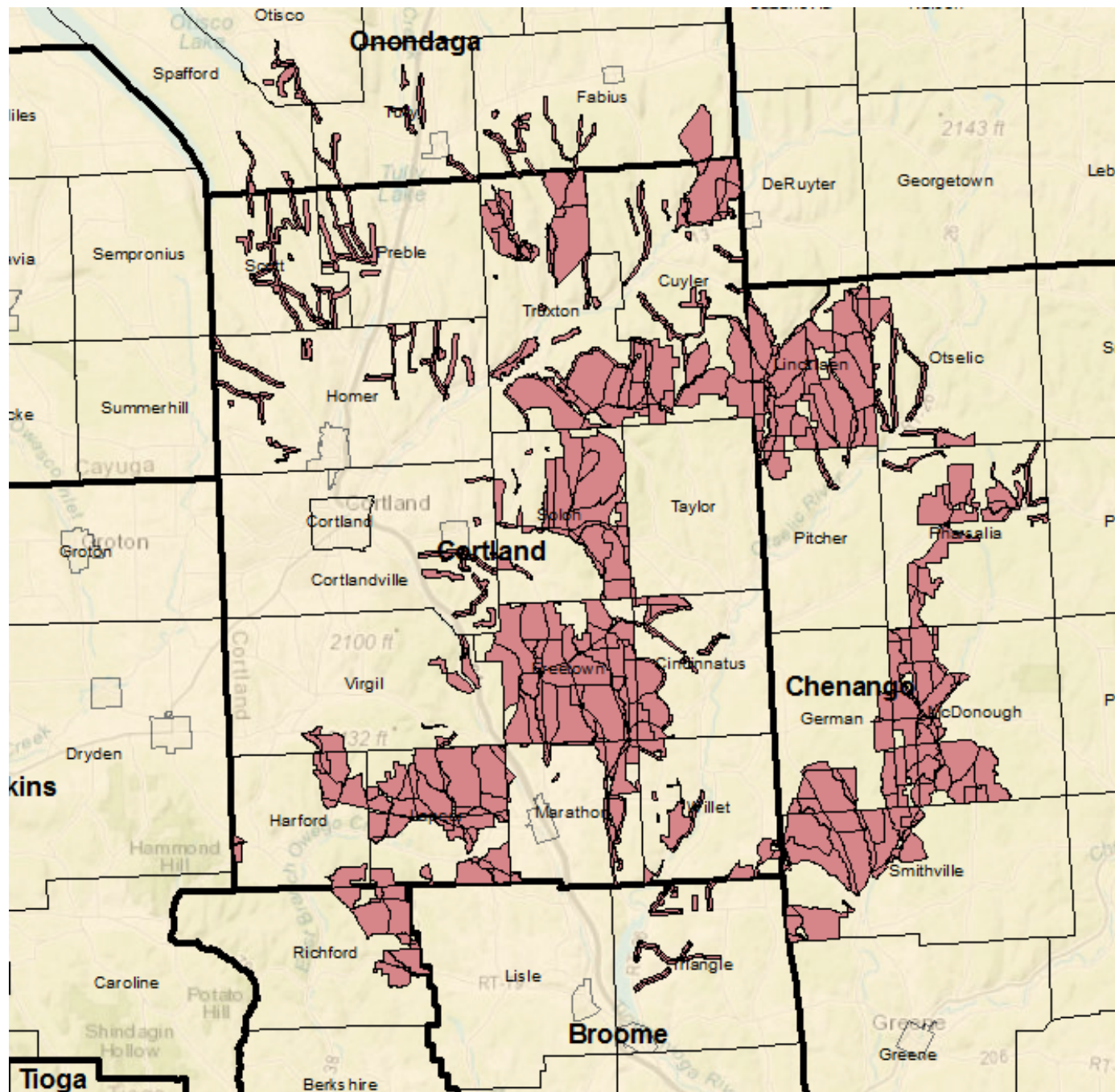


Table C: Project Milestones

Project Milestones
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by December 31, 2019 . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational
Project Start Date <u>May 1, 2018</u> Projected Completion Date <u>December 31, 2019</u> Projected # of Milestone Reports _____

Time Period	Quarter	Milestones	Narrative Explanation (If Any)
Year 1	Qtr. 1	80% of design completed 0% of OSP deployed 0 customers subscribed	
	Qtr. 2	100% of pole attachment contracts executed 25% of pole attachments applied for 40% of permits applied for 90% of design completed 5% of OSP deployed 0 customers subscribed	
	Qtr. 3	60% of pole attachments applied for 50% of permits applied for 100% of design completed 10% of OSP deployed 100 customers subscribed	
	Qtr. 4	100% of pole attachments applied for 75% of permits applied for 20% of OSP deployed 200 customers subscribed	
Year 2	Qtr. 1	100% of permits applied for 30% of OSP deployed 500 customers subscribed	
	Qtr. 2	60% of OSP deployed 850 customers subscribed	
	Qtr. 3	100 % of OSP deployed 1200 customers subscribed	
	Qtr. 4		

B. Clarity Fiber Solutions - Tompkins FTTH Broadband Capital (AC810)

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General Project Plan

- Grantee:** Clarity Fiber Solutions, LLC (“Clarity Fiber Solutions” or the “Company”)
- ESD Investment:** A grant of up to \$1,243,190 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Southern Tier Region of New York State.
- Project Location:** Tompkins County
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Southern Tier Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in May of 2018. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry - Internet Service Provider (“ISP”); Business Corporation

Company History – The Company was founded in 2017 with the goal of providing fiber-based Internet to rural areas of New York State. Clarity Fiber Solutions is a sister company to Clarity Connect, Inc. (formed in 1995), which offers customers high-speed wireless Internet service, website hosting, and Internet-related services.

Ownership – The Company is privately-held.

Size - With facilities based in Ithaca, New York, Clarity Fiber Solutions serves New York State residents in Tompkins, Cayuga, Tioga, Otsego and Delaware Counties, as well as the Towns of Athens and Sayre in Pennsylvania.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. “Download speeds” refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files through email, stream video, or use cloud-based services. Upload speeds refer to the

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speeds at which data is transmitted by an Internet user to another user, to a website, or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

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

ESD Involvement - In 2015, New York State (the "State") created the \$500 million New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative "reverse-auction" methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office (BPO) announced the Program's initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program's second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program's third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC's Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

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

The Project:

Completion: Network Construction: December 31, 2019

Customer Installations: December 31, 2021

Activity - The project will construct a Fiber to the Home ("FTTH") network to the proposed service area. The last mile technology will be Active Ethernet via optical fiber with future scaling possibilities.

Results – Expand broadband access to 230 Housing Units ("HUs") and 12 Other Units. (See Table A, which describes all Key Project Indicators.)²

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$29,700	ESD Grant	\$1,243,190	80%
Outside Plant Costs	1,253,568	Company Equity	155,399	10%
Tower Costs	26,000	Additional Financial Commitment	155,399	10%
Drop and Eligible Customer Premises Equipment	244,720			
Total Project Costs	\$1,553,988	Total Project Financing	\$1,553,988	100%

Grantee Contact - Chuck Bartosch, CEO
Clarity Fiber Solutions, LLC
200 Pleasant Grove Rd
Ithaca, NY 14850
Phone: (607) 227-5500

Project Team -

Origination	Beverly Bobb
Project Management	Connor Corcoran
Contractor & Supplier Diversity	Danah Alexander
Finance	Jonevan Hornsby
Environmental	Soo Kang

² Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office's estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

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Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$1,243,190 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

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Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
 - (ii) For the upfront investment associated with installing and/or upgrading existing

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broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity

- (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
- (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
- (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
- (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
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- (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
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- (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).

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- (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
 - (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
 - (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.
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 - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting

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- requirements;
 - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
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Additional Submissions to Directors:

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Table B – Project Footprint

Table C – Project Milestones

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KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Basic Project Information	
Project Name	Tompkins FTTH Broadband Capital
Project ID Number	AC810
Contact Name	Chuck Bartosch
Contact Number	(607) 227-5500
Website	
Email	chuck@clarityconnect.com
Company	Clarity Fiber Solutions, LLC
REDC(s)	Southern Tier
County(ies)	Tompkins County
NYS Assembly District #s	125
NYS Senate District #s	51, 54, 58
U.S. Congressional District #s	23
Total Census Blocks to be passed by project	43
Total Units to be passed by project	242
Total Project Cost (state + private)	\$1,553,988
Total Applicant Private Match	\$310,798
Total Grant Amount (\$)	\$1,243,190
Max speeds offered (download/upload)	1000Mbps / 1000Mbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project

	progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	230
Other Units Passed	12
TOTAL Units Passed	242
Census Blocks Passed***	43
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	\$60
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	25+ Mbps
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	84
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	84
Number of Towers Connected	0
Number of New Interconnection Points	2
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$273,501.80
Eligible Project Expenditures (\$) Made	\$1,243,190
Private Match (\$)	\$310,798
Speed Tiers & Pricing	Max Download Speed Offered
Residential	25Mbps
Residential	40Mbps (proposed)
Residential	100Mbps (proposed)
Residential	300Mbps (proposed)
Residential	1000Mbps (proposed)
Commercial	N/A

Network Construction Completion Date:	December 31, 2019
Customer Installations Completion Date:	December 31, 2021
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	

Table B: Project Footprint

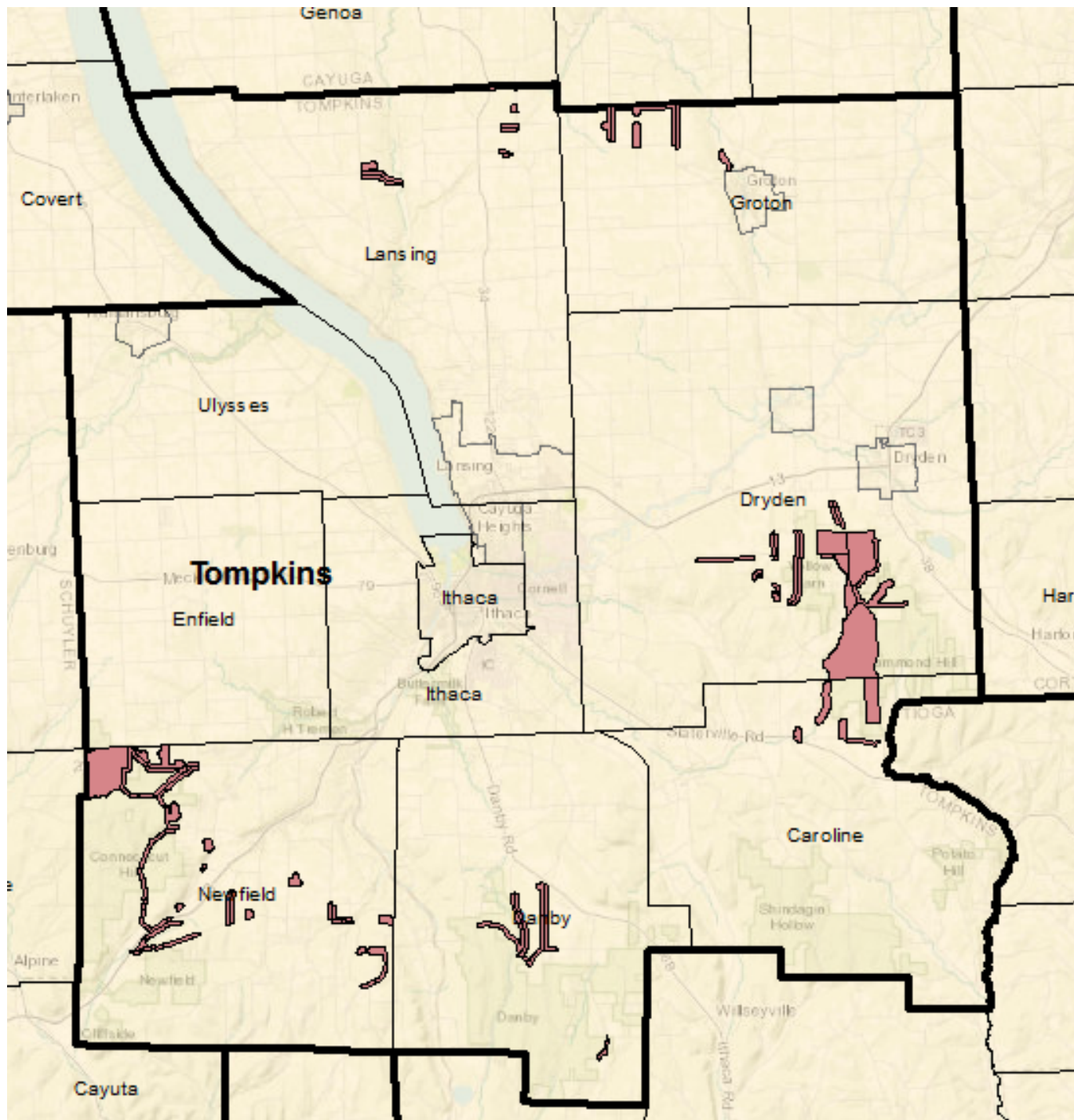


Table C: Project Milestones

Project Milestones
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by December 31, 2019 . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational
Project Start Date <u> May 1, 2018 </u> Projected Completion Date <u> December 31, 2019 </u> Projected # of Milestone Reports <u> </u>

Time Period	Quarter	Milestones	Narrative Explanation (If Any)
Year 1	Qtr. 1	80% of design completed 0% of OSP deployed 0 customers subscribed	
	Qtr. 2	100% of pole attachment contracts executed 25% of pole attachments applied for 40% of permits applied for 90% of design completed 5% of OSP deployed 0 customers subscribed	
	Qtr. 3	60% of pole attachments applied for 50% of permits applied for 100% of design completed 10% of OSP deployed 25 customers subscribed	
	Qtr. 4	100% of pole attachments applied for 75% of permits applied for 20% of OSP deployed 75 customers subscribed	
Year 2	Qtr. 1	100% of permits applied for 30% of OSP deployed 125 customers subscribed	
	Qtr. 2	60% of OSP deployed 175 customers subscribed	
	Qtr. 3	100 % of OSP deployed 225 customers subscribed	
	Qtr. 4		

C. DTC Cable - DCBI Broadband Capital Project (AC811)

August 16, 2018

General Project Plan

- Grantee:** DTC Cable, Inc. (“DTC Cable” or the “Company”)
- ESD Investment:** A grant of up to \$5,329,453 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Southern Tier and Mohawk Valley Regions of New York State.
- Project Location:** Chenango, Delaware, and Otsego Counties
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Southern Tier and Mohawk Valley Regional Economic Development Councils have been made aware of this item. The Incentive Proposal was accepted in June of 2018. The project is consistent with the Regional Plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the regions.

Background:

Industry - Internet Service Provider (“ISP”); Business Corporation

Company History - Established in 1998, DTC Cable is a privately held company located in Delhi, NY, which provides cable television and Internet access to its customers.

Ownership - The Company is privately owned.

Size - All facilities are located in Delhi, New York.

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

DTC Cable - DCBI Broadband Capital Project (AC811)

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

ESD Involvement - In 2015, New York State (the “State”) created the \$500 million New NY Broadband Program (the “Program”), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative “reverse-auction” methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office (“BPO”) announced the Program’s initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program’s second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program’s third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC’s Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

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

DTC Cable - DCBI Broadband Capital Project (AC811)

August 16, 2018

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion)	Purpose
New NY Broadband 15-16 Capital (Phase 2)	AB871	\$4,432,209	May 25, 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 3)	AC812	\$3,861,077	July 19, 2018	December 31 ,2019	Capital Grant – Installation of high-speed broadband infrastructure

The Project:

Completion: Network Construction: December 31, 2019

Customer Installations: December 31, 2021

Activity - This Fiber To The Home (“FTTH”) project will provide broadband access to households, businesses, and key community organizations that are currently unserved. The network will be based on a FTTH network architecture utilizing a point-to-point, Active Ethernet (“AE”) technology.

Results – Expand broadband access to 642 Housing Units (“HUs”) and 29 Other Units. (See Table A, which describes all Key Project Indicators.)³

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$49,490	ESD Grant	\$5,329,453	80%
Outside Plant Costs	6,325,488	Company Equity	666,182.5	10%
Drop and Eligible Customer Premises Equipment	286,840	Additional Financial Commitment	666,182.5	10%
Total Project Costs	\$6,661,818	Total Project Financing	\$6,661,818	100%

³ Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office’s estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

DTC Cable - DCBI Broadband Capital Project (AC811)

August 16, 2018

Grantee Contact - Jason Miller, General Manager
DTC Cable, Inc.
107 Main Street
Delhi, NY 13753
Phone: (607) 746-1524

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$5,329,453 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon

DTC Cable - DCBI Broadband Capital Project (AC811)

August 16, 2018

meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard

DTC Cable - DCBI Broadband Capital Project (AC811)

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monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.

- iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
 - (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
 - (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
 - (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
 - (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
 - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.
9. Eligible Expense Categories include but are not limited to the following:
- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
 - (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service

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terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.

- (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
 - (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
 - (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
 - (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
 - (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
 - (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.
10. Ineligible Expenses included but are not limited to the following:
- (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
 - (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
 - (iii) Operating expenses of the Grantee will not be funded.
 - (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.
11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,329,453, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.
- (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

DTC Cable - DCBI Broadband Capital Project (AC811)

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- i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements
13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.
14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that

DTC Cable - DCBI Broadband Capital Project (AC811)

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indicates the location of new broadband services within the Grantee's entire service area.

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

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – New NY Broadband Program:

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 and 2018-19 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Basic Project Information	
Project Name	DCBI Phase IV Non-Caf Broadband Capital
Project ID Number	AC811
Contact Name	Jason Miller
Contact Number	(607) 746-1524
Website	http://www.delhite.com/
Email	jason@delhite.com
Company	DTC Cable, Inc.
REDC(s)	Southern Tier and Mohawk Valley
County(ies)	Chenango, Delaware, and Otsego Counties
NYS Assembly District #s	101, 102, 121, 122
NYS Senate District #s	42, 51, 52
U.S. Congressional District #s	19, 22
Total Census Blocks to be passed by project	250
Total Units to be passed by project	671
Total Project Cost (state + private)	\$6,661,818
Total Applicant Private Match	\$1,332,365
Total Grant Amount (\$)	\$5,329,453
Max speeds offered (download/upload)	Residential 100 Mbps/100 Mbps and Business 1 Gbps/1 Gbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress

Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	642
Other Units Passed	29
TOTAL Units Passed	671
Census Blocks Passed***	250
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	\$130.20
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	82.25 Mbps downstream
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	157.4
Existing Network Miles Upgraded	13.5
Number of Miles of New Fiber	170.9
Number of Towers Connected	0
Number of New Interconnection Points	0
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$1,598,835.90
Eligible Project Expenditures (\$) Made	\$5,329,453
Private Match (\$)	\$1,332,365
Speed Tiers & Pricing	Max Download Speed Offered
Residential	75 Mbps x 10 Mbps \$59.99
Residential	75 Mbps x 75 Mbps \$64.99
Residential	100 Mbps x 100 Mbps \$89.99

Residential	150 Mbps x 150 Mbps \$99.99
Residential	250 Mbps x 250 Mbps \$199.99
Network Construction Completion Date:	December 31, 2019
Customer Installations Completion Date:	December 31, 2021
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	

Table B: Project Footprint

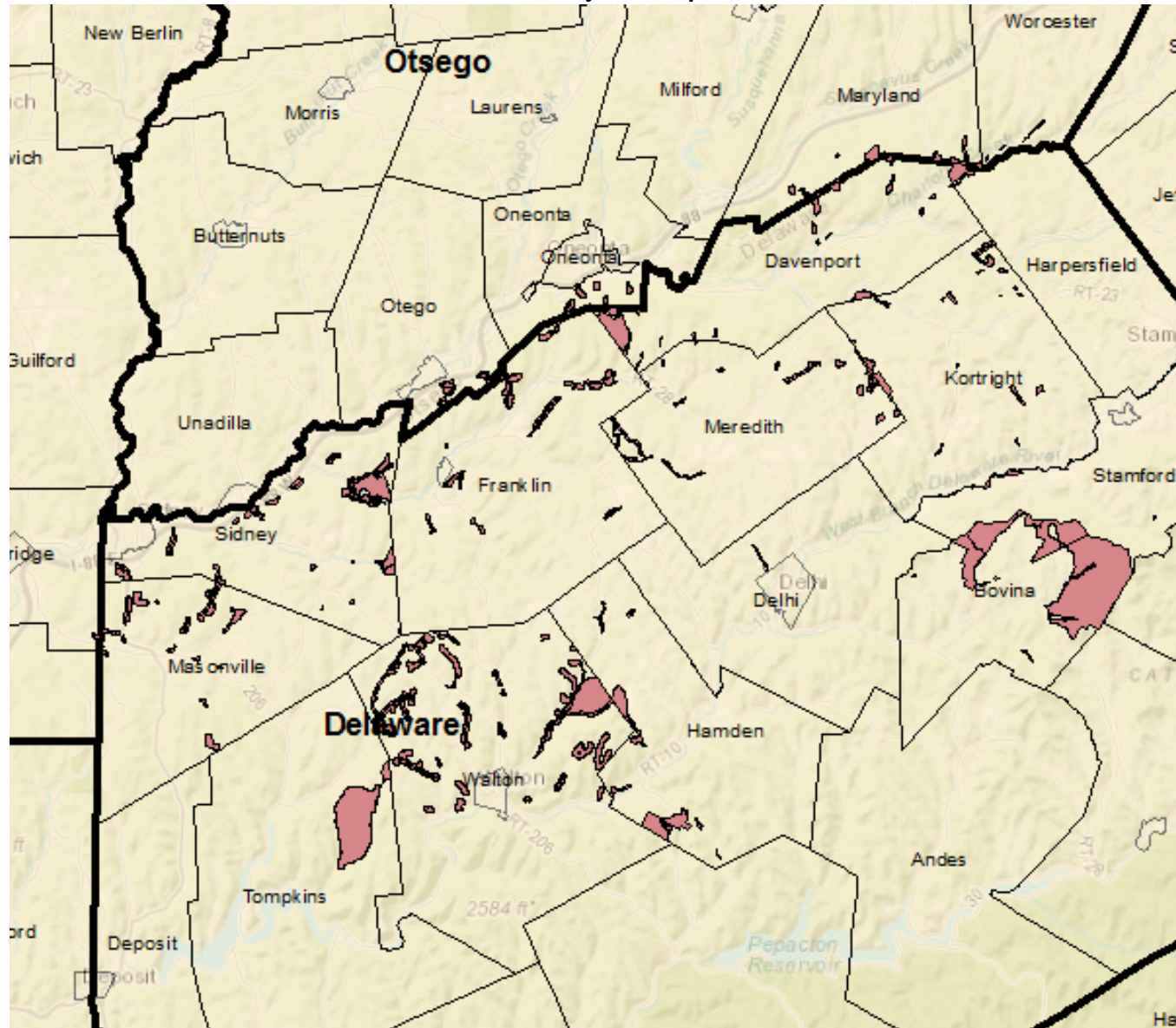


Table C: Project Milestones

Project Milestones
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by December 31, 2019 . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational
Project Start Date <u>August 2018</u> Projected Completion Date <u> </u> Projected # of Milestone Reports <u> </u>

Time Period	Quarter	Milestones	Narrative Explanation (If Any)
Year 1 (2018)	Qtr. 1	<ul style="list-style-type: none"> • Meet with municipal leaders to outline finalized project scope and time-lines for service activation. Receive input concerning municipal priorities. • Finalize Network Design • Finalize agreements with construction contractors and vendors. • Order long-lead time materials. • Determine any pole upgrade / replacements required. • Commence any required brush cutting along pole lines. • Identify internal staffing needs and requirements. 	
	Qtr. 2	<ul style="list-style-type: none"> • Commence aerial fiber construction activity (Miles 0-39). • Complete any required brush cutting and pole replacements. • Commence Central Office equipment installation. • Develop marketing tactics and identify broadband adoption campaigns where necessary. 	
	Qtr. 3	<ul style="list-style-type: none"> • Continue Central Office equipment installation. • Continue fiber construction activity (Miles 40-77). • Implement marketing and customer outreach initiatives. 	
	Qtr. 4	<ul style="list-style-type: none"> • Finalize Central Office equipment installation. • Continue fiber construction activity (Miles 78-115). • Continue community outreach and broadband adoption efforts. • Complete Central Office equipment activation and testing. • Commence customer drop installation and activation (Drops 1-41). 	

Year 2 (2019)	Qtr. 1	<ul style="list-style-type: none"> • Continue fiber construction activity (Miles 116-153). • Continue community outreach and broadband adoption efforts. • Continue customer drop installation and activation (Drops 42-82). 	
	Qtr. 2	<ul style="list-style-type: none"> • Finalize fiber construction activity (Miles 154-191.6). • Continue customer drop installation and activation (Drops 83-122). 	
	Qtr. 3	<ul style="list-style-type: none"> • Continue customer drop installation and activation (Drops 123-162). 	
	Qtr. 4	<ul style="list-style-type: none"> • Finalize customer drop installation and activation (Drops 162-202). • Complete marketing, adoption, and outreach initiatives. • Complete network testing, validation, and mapping. 	

D. TDS Telecom - Edwards Tel NY BB Phase III Broadband Capital (AC813)

August 16, 2018

General Project Plan

- Grantee:** Edwards Telephone Company, Inc. (d/b/a TDS Telecom) (“TDS Telecom” or the “Company”)
- ESD Investment:** A grant of up to \$918,387 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the North Country Region of New York State.
- Project Location:** St. Lawrence County
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The North Country Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in June 2018. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – Telephone, Cable and Internet Service Provider

Company History - TDS Telecommunications Corporation (“TDS Telecom/TDS”), a wholly owned subsidiary of Telephone and Data Systems, Inc., is the seventh largest local exchange telephone company in the U.S. and a growing force in the cable industry. TDS provides 1.2 million connections to high-speed Internet, phone, and TV entertainment services in more than 150 rural, suburban, and metropolitan communities.

Ownership – TDS Telecom is a publically-traded company.

Size - Headquartered in Madison, Wisconsin, TDS Telecom operates OneNeck IT Solutions LLC and TDS Broadband Service LLC. Combined, the Company employs more than 3,400 people.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. “Download speeds” refer to the speeds at which data is received by an

TDS Telecom - Edwards Tel NY BB Phase III Broadband Capital (AC813)

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

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

ESD Involvement - In 2015, New York State (the "State") created the \$500 million New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative "reverse-auction" methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office (BPO) announced the Program's initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program's second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program's third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded

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projects will leverage federal funding through the FCC’s Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

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

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion)	Purpose
New NY Broadband 15-16 Capital (Phase 1)	AB147	\$4,989,570	March 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 1)	AB160	\$1,084,000	March 23, 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 1)	AB162	\$1,424,793	March 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 1)	AB164	\$1,895,390	March 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 2)	AB917	\$3,018,167	May 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure

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New NY Broadband 15-16 Capital (Phase 2)	AB918	\$3,750,196	May 2017	December 31, 2018	Capital Grant – Installation of high- speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 2)	AB919	\$1,315,793	May 2017	December 31, 2018	Capital Grant – Installation of high- speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 2)	AB920	\$3,030,492	May 2017	December 31, 2018	Capital Grant – Installation of high- speed broadband infrastructure

The Project:

Completion: Network Construction: December 31, 2019

Customer Installations: December 31, 2021

Activity - The project will deploy a fiber-to-the-home (“FTTH”) network using Gigabit Passive Optical Network (“GPON”) technology.

Results – Expand broadband access to 339 Housing Units (HUs) and 18 Other Units. (See Table A, which describes all Key Project Indicators.)⁴

⁴ Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office’s estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

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Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$60,000	ESD Grant	\$918,387	75%
Outside Plant Costs	939,140	Company Equity	122,451.60	10%
Drop and Eligible Customer Premises Equipment	173,376	Additional Financial Commitment	183,677.40	15%
Other Eligible Project Costs	50,000			
Total Project Costs	\$1,224,516	Total Project Financing	\$1,224,516	100%

Grantee Contact - Timothy Ulrich, Manager, Public Policy
 Edwards Telephone Company, Inc. (d/b/a TDS Telecom)
 525 Junction Road
 Madison, WI 53717
 Phone: (608) 664-4114

Project Team -

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

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee’s financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company’s written acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if

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so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

5. Up to \$918,387 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require

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- standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
- ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
 - (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
 - (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
 - (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
 - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.

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9. Eligible Expense Categories include but are not limited to the following:
- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
 - (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
 - (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
 - (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
 - (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
 - (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
 - (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
 - (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.
10. Ineligible Expenses included but are not limited to the following:
- (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
 - (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
 - (iii) Operating expenses of the Grantee will not be funded.
 - (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.
11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$918,387, 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.

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12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.

(i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements

TDS Telecom - Edwards Tel NY BB Phase III Broadband Capital (AC813)

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13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.
14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the Grantee's entire service area.
15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 21% related to the total value of ESD's funding.

Statutory Basis – New NY Broadband Program:

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 and 2018-19 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Quarter: ___ Date: __/__/201__ to __/__/201__	
Basic Project Information	
Project Name	Edwards Tel NY BB Phase III Broadband Capital
Project ID Number	AC813
Contact Name	Timothy Ulrich
Contact Number	(608) 664-4114
Website	https://tdstelecom.com/
Email	timothy.ulrich@tdstelecom.com
Company	Edwards Telephone Company, Inc. (d/b/a TDS Telecom)
REDC(s)	North Country
County(ies)	St. Lawrence County
NYS Assembly District #s	116, 117, 118
NYS Senate District #s	45, 47, 48
U.S. Congressional District #s	21
Total Census Blocks to be passed by project	78
Total Units to be passed by project	357
Total Project Cost (state + private)	\$1,224,516
Total Applicant Private Match	\$306,129
Total Grant Amount (\$)	\$918,387
Max speeds offered (download/upload)	100Mbps
Required pricing tier offered?	Not to exceed \$60 per month
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress

Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	339
Other Units Passed	18
TOTAL Units Passed	357
ENTIRE Census Blocks Passed***	78
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	Unknown
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	Unknown
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	25
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	25
Number of Towers Connected	0
Number of New Interconnection Points	0
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$192,861.27
Eligible Project Expenditures (\$) Made	\$918,387
Private Match (\$)	\$306,129

Speed Tiers & Pricing [Write N/A if No Speed Tiers Currently Offered]	Max Download Speed Offered															
Type - Residential, Commercial, or Other [Please Specify]	X															
	<table border="1"> <tr> <td>Express (56K-5Mbps/512Kbps)</td> <td>19.95 (initial 24 month)</td> <td>39.95 (retail bundle)</td> </tr> <tr> <td>Turbo (6 to 15 Mbps/ 768Kbps)</td> <td>24.95</td> <td>44.25</td> </tr> <tr> <td>Mach (18 to 25 Mbps/5 Mbps)</td> <td>29.95</td> <td>49.95</td> </tr> <tr> <td>Extreme Retail (50/50Mbps)</td> <td>29.95</td> <td>54.95</td> </tr> <tr> <td>Extreme Retail (100/100Mbps)</td> <td>34.95</td> <td>59.95</td> </tr> </table>	Express (56K-5Mbps/512Kbps)	19.95 (initial 24 month)	39.95 (retail bundle)	Turbo (6 to 15 Mbps/ 768Kbps)	24.95	44.25	Mach (18 to 25 Mbps/5 Mbps)	29.95	49.95	Extreme Retail (50/50Mbps)	29.95	54.95	Extreme Retail (100/100Mbps)	34.95	59.95
Express (56K-5Mbps/512Kbps)	19.95 (initial 24 month)	39.95 (retail bundle)														
Turbo (6 to 15 Mbps/ 768Kbps)	24.95	44.25														
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Extreme Retail (50/50Mbps)	29.95	54.95														
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Network Construction Completion Date:	December 31, 2019															
Customer Installations Completion Date:	December 31, 2021															
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue																
**If yes, please explain and provide any necessary documentation																
***Grantee must pass all Units in a Census Block, except as authorized by the ESD Broadband Program Office to pass a Block in part																

Table B: Project Footprint

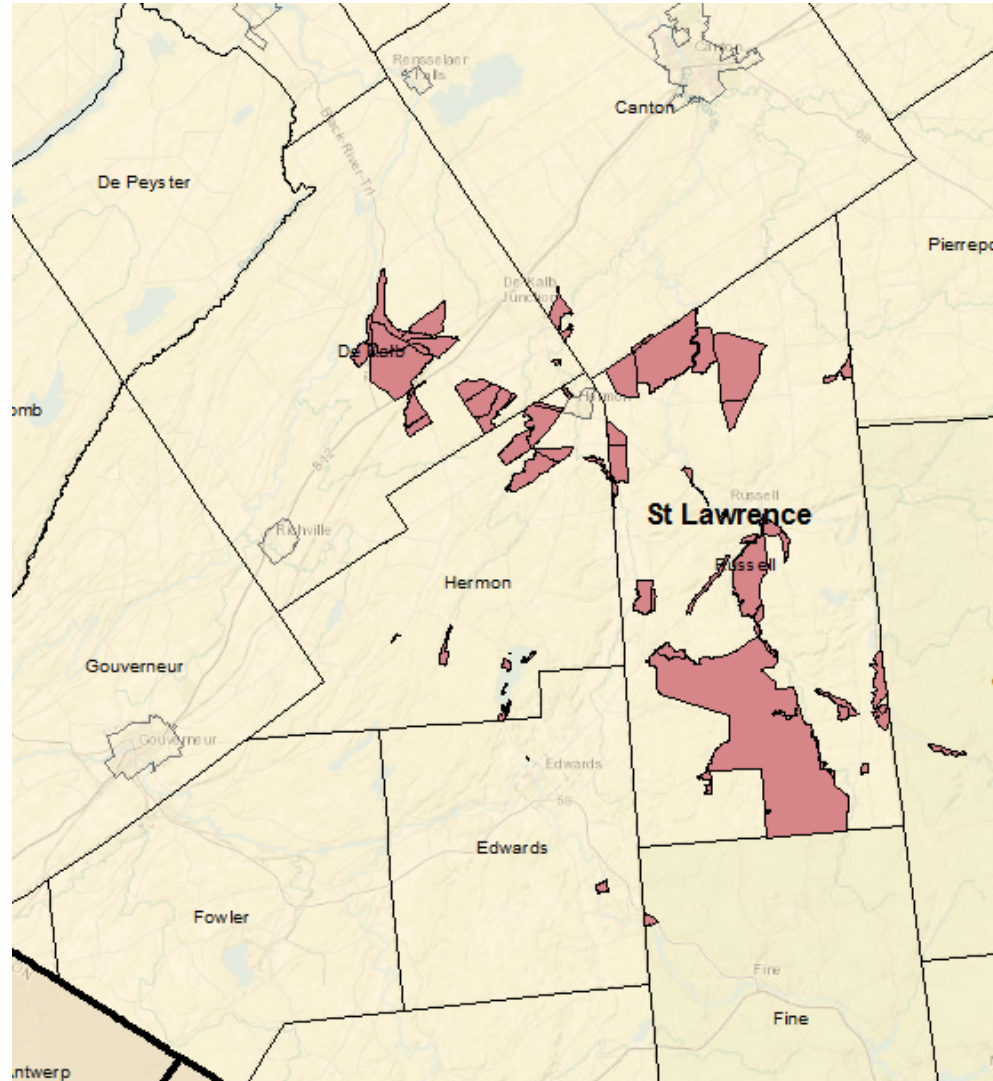


Table C: Project Milestones

Project Milestones
<p>The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by December 31, 2019. The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational</p>
<p>Project Start Date _____ Projected Completion Date _____ Projected # of Milestone Reports _____</p>

Time Period	Quarter	Milestones	Narrative Explanation (If Any)
Year 1	Qtr. 1	No action	Award letter dated 3-29-18
	Qtr. 2	<ul style="list-style-type: none"> • Project award and contract negotiation/execution with state of New York • External and Internal approval to proceed • ROW and Permit acquisition start 	
	Qtr. 3	<ul style="list-style-type: none"> • ISP and OSP Engineering ROW and Permit acquisition ISP and OSP Engineering • Internal control approval 	
	Qtr. 4	<ul style="list-style-type: none"> • ISP and OSP Procurement • Bid OSP construction contracts 	
Year 2	Qtr. 1	<ul style="list-style-type: none"> • ISP Construction starts • OSP Construction starts 	
	Qtr. 2	<ul style="list-style-type: none"> • ISP Construction • OSP Construction 	
	Qtr. 3	<ul style="list-style-type: none"> • ISP Construction completion • OSP Construction completion • Equipment configuration and testing • Network Integration 	
	Qtr. 4	<ul style="list-style-type: none"> • Contract close outs • Records updates • Project close out-Finance 	

E. GTel - Phase 3 Unserved GTel Out of Territory Broadband Capital (AC814)

August 16, 2018

General Project Plan

- Grantee:** Germantown Telephone Company (d/b/a GTel Teleconnections) (“GTel” or the “Company”).
- Beneficiary:** Valstar Inc.
- ESD Investment:** A grant of up to \$28,109 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Capital Region of New York State.
- Project Location:** Columbia County
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Capital Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in June 2018. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry - Internet Service Provider (“ISP”); Business Corporation

Company History - Founded in 1905, the Germantown Telephone Company began operations when there were but two telephones. In 1929, Mrs. and Mr. Alvin J. (A.J.) Bohnsack purchased the Company from Mr. Stanley W. Lasher. At that time, the Company had 420 subscribers. GTel has a long history of investing and deploying state-of-the-art networks and equipment since its entry in the telecommunications industry back in 1929. Today, GTel provides a full complement of truly state-of-the-art IP-based services with a full-time dedicated work force of seventeen employees. Telephone subscribers have grown from two telephones in 1905 to more than 2,500 access lines in 2011, and, after 83 years, the Company is still owned and operated by the third, and now the fourth, generation of the Bohnsack family.

GTel - Phase 3 Unserved GTel Out of Territory Broadband Capital (AC814)

August 16, 2018

Ownership – GTel is privately owned. GTel owns 100% of Valstar, Inc.

Size - All facilities are located in Germantown, NY, and GTel employs a staff of approximately 14.

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

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GTel - Phase 3 Unserved GTel Out of Territory Broadband Capital (AC814)

August 16, 2018

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New NY Broadband 15-16 Capital (Phase 2)	AB902	\$4,730,944	June 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 2)	AB976	\$528,273	June 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure

The Project:

Completion: Network Construction: December 31, 2019
Customer Installations: December 31, 2021

GTel - Phase 3 Unserved GTel Out of Territory Broadband Capital (AC814)

August 16, 2018

Activity - Deploy a state of the art Fiber-to-the-Home telecommunications network utilizing a Gigabit Passive Optical Network (“GPON”) architecture in the proposed area. The technology utilizes fiber optic splitters to enable 32 subscribers to be served by a single optical line terminal (“OLT”) port. Each OLT has a throughput of 2.4 Gbps downstream and 1.2 Gbps upstream.

Results – Expand broadband access to 19 Housing Units (“HUs”) and 0 Other Units. (See Table A, which describes all Key Project Indicators.)⁵

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$3,450	ESD Grant	\$28,109	80%
Outside Plant Costs	11,447	Company Equity	3,514	10%
Drop and Eligible Customer Premises Equipment	19,090	Additional Financial Commitment	3,514	10%
Other Eligible Project Costs	1,150			
Total Project Costs	\$35,137	Total Project Financing	\$35,137	100%

Grantee Contact - Jason Shelton, General Manager
 Germantown Telephone Company (d/b/a Gtel Teleconnections)
 P.O. Box 188
 Germantown, NY 12526
 Phone: (518) 537-4835

Bruce C. Bohnsack, President /CEO
 Valstar, Inc.
 PO Box 188
 Germantown, NY 12526

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

⁵ Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office’s estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

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Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$28,109 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require

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compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
 - (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or

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

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

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

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

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

10. Ineligible Expenses included but are not limited to the following:
 - (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
 - (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
 - (iii) Operating expenses of the Grantee will not be funded.
 - (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.

11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$28,109, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.
 - (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;

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- vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements
13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.
14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the Grantee's entire service area.
15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

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

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Statutory Basis – New NY Broadband Program:

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 and 2018-19 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Quarter: __ Date: __/__/201__ to __/__/201__	
Basic Project Information	
Project Name	Phase 3 Unserved GTel Out of Territory Broadband Capital
Project ID Number	AC814
Contact Name	Jason Shelton
Contact Number	(518) 537-4835
Website	http://www2.gtel.net/
Email	Jason.SHelton@gtelcorp.com
Company	Germantown Telephone Company (d/b/a Gtel Teleconnections)
REDC(s)	Capital Region
County(ies)	Columbia County
NYS Assembly District #s	106
NYS Senate District #s	43
U.S. Congressional District #s	19
Total Census Blocks to be passed by project	5
Total Units to be passed by project	19
Total Project Cost (state + private)	\$35,137
Total Applicant Private Match	\$7,028
Total Grant Amount (\$)	\$28,109
Max speeds offered (download/upload)	1 Gbps/1Gbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress

Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	19
Other Units Passed	0
TOTAL Units Passed	19
ENTIRE Census Blocks Passed***	5
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	Not know at this time
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	Not know at this time
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	0.4
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	0.4
Number of Towers Connected	0
Number of New Interconnection Points	0
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$8,432.70
Eligible Project Expenditures (\$) Made	\$28,109
Private Match (\$)	\$7,028

Speed Tiers & Pricing [Write N/A if No Speed Tiers Currently Offered]	Max Download Speed Offered		
Type - Residential, Commercial, or Other [Please Specify]	x		
	Speed	Price	Type
	25x5	\$59.99	Residential
	50x20	\$79.00	Residential
	100X100	\$99.00	Residential
	1Gb/1Gb	\$199.00	Residential
	Speed	Price	Type
	10x10	\$59.95	Business
	25x25	\$89.95	Business
	50x50	\$139.95	Business
	100x100	\$199.95	Business
	1Gb/1Gb	\$499.95	Business
Network Construction Completion Date:	December 31, 2019		
Customer Installations Completion Date:	December 31, 2021		
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue			
**If yes, please explain and provide any necessary documentation			
***Grantee must pass all Units in a Census Block, except as authorized by the ESD Broadband Program Office to pass a Block in part			

Table B: Project Footprint

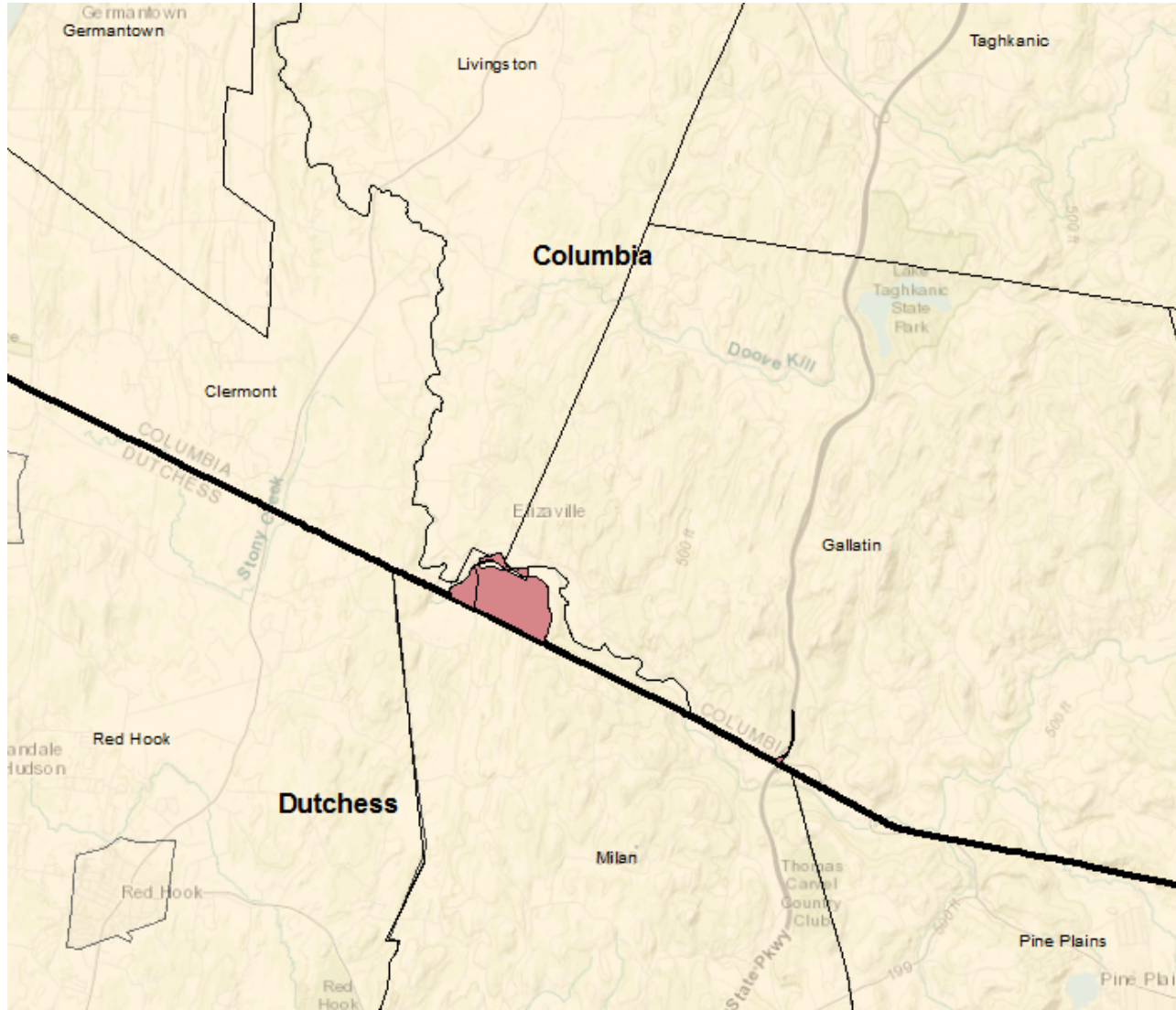


Table C: Project Milestones

Project Milestones
<p>The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by December 31, 2019. The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational</p>
<p>Project Start Date _____ Projected Completion Date _____ Projected # of Milestone Reports _____</p>

Time Period	Quarter	Milestones	Narrative Explanation (If Any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • Meet with municipal leaders to outline finalized project scope and time-lines for service activation. Receive input concerning municipal priorities. • Finalize Network Design • Finalize agreements with construction contractors and vendors. • Order long-lead time materials. • Determine any pole upgrade / replacements required. • Commence any required brush cutting along pole lines. • Identify internal staffing needs and requirements. 	
	Qtr. 2	<ul style="list-style-type: none"> • Commence fiber construction activity (miles 0-0.4). • Complete any required brush cutting and pole replacements. • Commence central office equipment installation. • Develop marketing tactics and identify broadband adoption campaigns where necessary. 	
	Qtr. 3	<ul style="list-style-type: none"> • Continue central office equipment installation. • Commence customer drop installation and activation (drops 1-10). • Implement marketing and customer outreach initiatives. 	
	Qtr. 4	<ul style="list-style-type: none"> • Finalize central office equipment installation. • Complete central office equipment activation and testing. • Complete marketing, adoption, and outreach initiatives. • Complete network testing, validation, and mapping. 	
Year 2	Qtr. 1		
	Qtr. 2		
	Qtr. 3		
	Qtr. 4		

F. Haeefe TV Inc. - Haeefe TV Phase 3 Unserved Broadband Capital (AC816)

August 16, 2018

General Project Plan

- Grantee:** Haeefe TV Inc. (“Haeefe” or the “Company”)
- ESD Investment:** A grant of up to \$1,619,345 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Southern Tier Region of New York State.
- Project Location:** Chemung, Schuyler, Steuben, Tioga, and Tompkins Counties
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Southern Tier Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in June 2018. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry - Internet Service Provider (“ISP”); Business Corporation

Company History - Founded in 1983, Haeefe TV Inc. is a company that provides local cable service to approximately 5,000 broadband subscribers. The Company serves customers in Cortland, Chemung, Schuyler, Tioga, and Tompkins Counties. Haeefe also performs its own cable construction.

Ownership – The Company is privately owned.

Size - All facilities are located in Spencer, NY.

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

Haefele TV Inc. - Haefele TV Phase 3 Unserved Broadband Capital (AC816)

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

ESD Involvement - In 2015, New York State (the “State”) created the \$500 million New NY Broadband Program (the “Program”), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative “reverse-auction” methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office (BPO) announced the Program’s initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program’s second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program’s third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC’s Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

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

Haefele TV Inc. - Haefele TV Phase 3 Unserved Broadband Capital (AC816)

August 16, 2018

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion)	Purpose
New NY Broadband 15-16 Capital (Phase 1)	AB163	\$271,568	November 2016	December 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 2)	AB903	\$2,749,975	May 2017	December 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 2)	AB804	\$2,272,357	May 2017	December 2018	Capital Grant – Installation of high-speed broadband infrastructure

The Project:

Completion: Network Construction: December 31, 2019

Customer Installations: December 31, 2021

Activity - Build a Fiber-to-the-Home (“FTTH”) network utilizing both Radio Frequency over Glass (“RFoG”) and Data Over Cable Service Interface Specification 3.0 (“DOCSIS3”) technologies. RFoG is a passive optical network protocol. DOCSIS3 is an international telecommunications standard that permits the addition of high-bandwidth data transfer to an existing cable TV (“CATV”) system.

Results – Expand broadband access to 620 Housing Units (“HUs”) and 16 Other Units. (See Table A, which describes all Key Project Indicators.)⁶

⁶ Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office’s estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

Haefele TV Inc. - Haefele TV Phase 3 Unserved Broadband Capital (AC816)

August 16, 2018

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$82,026	ESD Grant	\$1,619,345	71%
Outside Plant Costs	1,944,173	Company Equity	226,625.20	10%
Drop and Eligible Customer Premises Equipment	226,553	Additional Financial Commitment	420,281.80	19%
Professional Services (not included elsewhere)	13,500			
Total Project Costs	\$2,266,252	Total Project Financing	\$2,266,252	100%

Grantee Contact - Lee Haefele, President
 Haefele TV Inc.
 24 E. Tioga Street
 Spencer, NY 14883
 Phone: (607) 589-2341

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee’s financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company’s written acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if

Haefele TV Inc. - Haefele TV Phase 3 Unserved Broadband Capital (AC816)

August 16, 2018

so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

5. Up to \$1,619,345 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-

Haefele TV Inc. - Haefele TV Phase 3 Unserved Broadband Capital (AC816)

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user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.

- ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
 - (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
 - (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
 - (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
 - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.

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

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- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
 - (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
 - (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
 - (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
 - (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
 - (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
 - (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
 - (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.
10. Ineligible Expenses included but are not limited to the following:
- (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
 - (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
 - (iii) Operating expenses of the Grantee will not be funded.
 - (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.
11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,619,345, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time

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that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.

- (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements
13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety

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requirements of any State or local governmental entity.

14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the Grantee's entire service area.
15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 14% related to the total value of ESD's funding.

Statutory Basis – New NY Broadband Program:

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

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Quarter:___ Date: __/__/201__ to __/__/201__	
Basic Project Information	
Project Name	Haefele TV Phase 3 Unserved Broadband Capital
Project ID Number	AC816
Contact Name	Lee Haefele
Contact Number	(607) 589-2341
Website	http://www.htva.net/
Email	jeff@haefeletv.com
Company	Haefele TV Inc.
REDC(s)	Southern Tier
County(ies)	Chemung, Schuyler, Steuben, Tioga, and Tompkins Counties
NYS Assembly District #s	124, 125, 132
NYS Senate District #s	51, 52, 58
U.S. Congressional District #s	23
Total Census Blocks to be passed by project	102
Total Units to be passed by project	636
Total Project Cost (state + private)	\$2,266,252
Total Applicant Private Match	\$646,907
Total Grant Amount (\$)	\$1,619,345
Max speeds offered (download/upload)	250Mbps x 25Mbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress

Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	620
Other Units Passed	16
TOTAL Units Passed	636
ENTIRE Census Blocks Passed***	102
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	~\$96
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	~50Mbps
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	65.6
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	65.6
Number of Towers Connected	0
Number of New Interconnection Points	0
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$226,708.30
Eligible Project Expenditures (\$) Made	\$1,619,345
Private Match (\$)	\$646,907

Speed Tiers & Pricing	Max Download Speed Offered
Residential – MiniRocket \$34.50/mo	3Mbps
Residential – Fiber100 \$55.95/mo (\$45.95w/Bundle)	100Mbps
Residential – Fiber150 \$69.95/mo (\$59.95w/Bundle)	150Mbps
Residential – Fiber200 \$89.95/mo (\$79.95w/Bundle)	200Mbps
Residential – Fiber250 \$109.95/mo (\$99.95w/Bundle)	250Mbps
Commercial Tier 1 - \$79.95/mo	35Mbps
Commercial Tier 2 - \$99.95/mo	50Mbps
Commercial Tier 3 – 134.95/mo	70Mbps
Commercial Tier 4 - \$195.95/mo	100Mbps
Network Construction Completion Date:	December 31, 2019
Customer Installations Completion Date:	December 31, 2021
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except as authorized by the ESD Broadband Program Office to pass a Block in part	

Table B: Project Footprint

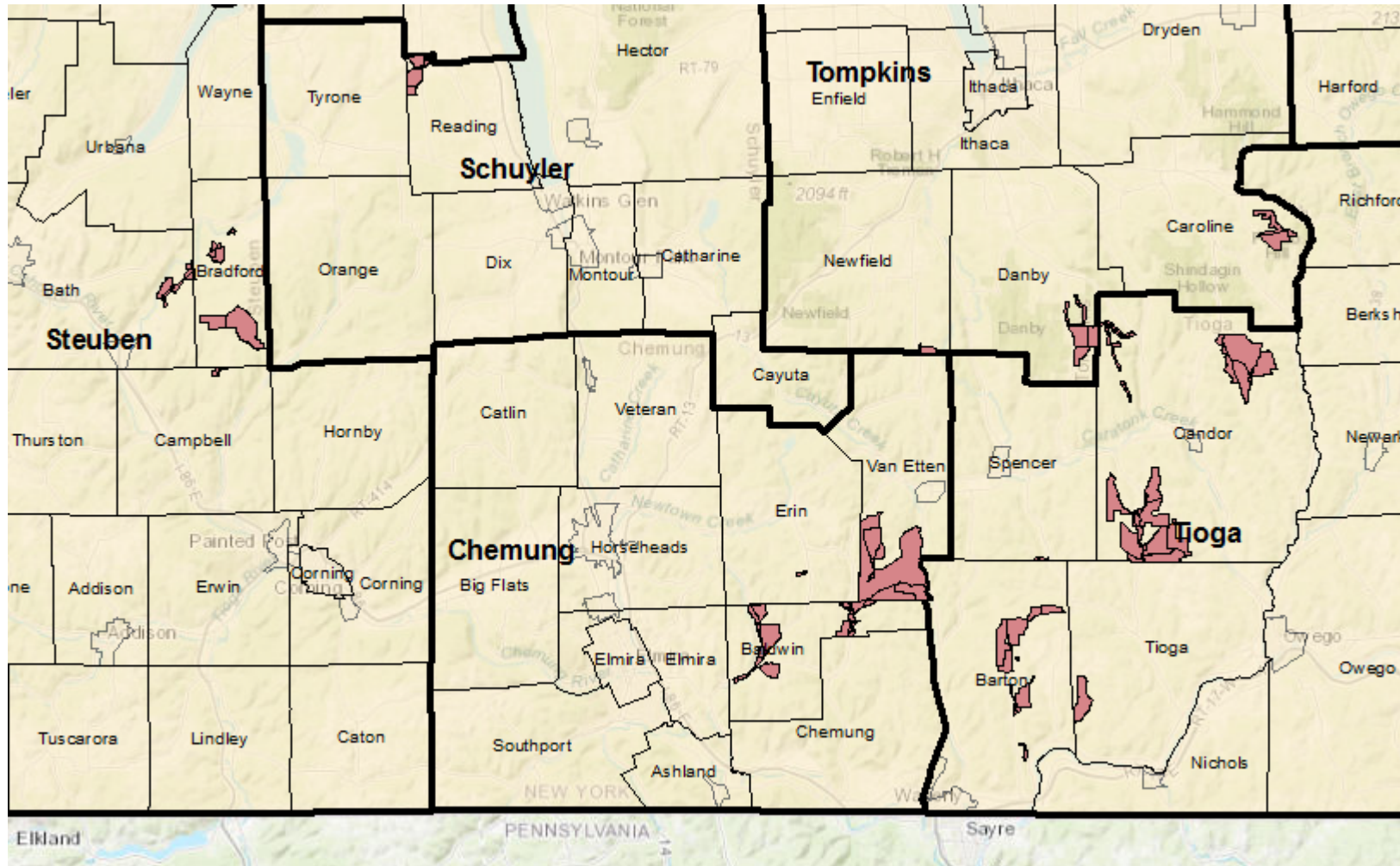


Table C: Project Milestones

Project Milestones
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by December 31, 2019 . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational
Project Start Date __ __ Projected Completion Date __ __ Projected # of Milestone Reports _____

Time Period	Quarter	Milestones	Narrative Explanation (If Any)
Year 1	Qtr. 1		
	Qtr. 2		
	Qtr. 3		
	Qtr. 4		
Year 2	Qtr. 1		
	Qtr. 2		
	Qtr. 3		
	Qtr. 4		

**G. Hudson Valley Wireless - Connecting the Capital District Phase 3 (Unserved)
Broadband Capital (AC819)**

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General Project Plan

- Grantee:** John R. Guzzo, LLC (d/b/a Hudson Valley Wireless) (“Hudson Valley Wireless” or the “Company”)
- ESD Investment:** A grant of up to \$2,710,497 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Capital and Mohawk Valley Regions of New York State.
- Project Location:** Albany, Rensselaer, Saratoga, Schenectady, Schoharie, and Washington Counties
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Capital and Mohawk Valley Regional Economic Development Councils have been made aware of this item. The Incentive Proposal was accepted in June of 2018. The project is consistent with the Regional Plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the regions.

Background:

Industry - Internet Service Provider (ISP); Business Corporation

Company History - Hudson Valley Wireless is an affiliate of the 45+ year old Hudson Valley Communications that operated one of New York State’s largest Two-Way Radio networks. The company was formed in 2002 to deploy Wireless Internet Services throughout the Capital District as an alternative to Dial Up and T1 services. The original platform was designed to allow subscribers to access web pages and email.

Shortly after the Capital District deployment, the company started expanding its services to rural communities that lack access to affordable DSL and cable based technology. Nitro 2.0 is the Company’s latest broadband platform, which is capable of delivering fast and reliable Internet service; offering speeds comparable to some Cable based technologies and much faster than T1, DSL and Satellite.

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Ownership – Privately-held corporation.

Size - Hudson Valley Wireless is currently one of the largest Wireless Internet Service Providers (WISP) operating in Upstate New York, delivering last-mile and middle-mile connectivity to subscribers in rural and remote villages and townships.

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

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

ESD Involvement - In 2015, New York State (the “State”) created the \$500 million New NY Broadband Program (the “Program”), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative “reverse-auction” methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office (BPO) announced the Program’s initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a

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total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program’s second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program’s third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC’s Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

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

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion)	Purpose
NY Works – Connect NY	Y598	\$2,042,177	December 2014	May 2018	Capital Grant – Installation of high-speed broadband infrastructure

The Project:

Completion: Network Construction: December 31, 2019
Customer Installations: December 31, 2021

Activity – Offer broadband service to Unserved locations in the Capital and Mohawk Valley Regions using Long Term Evolution (LTE) Fixed Wireless Equipment. The Grantee will utilize a Fixed Wireless Antenna connected to the Remote Radio Unit (RRU) at the Tower through two related projects, CFA #9-74676 and CFA #9-74677. The ESD grant funding contemplated herein will support the project set forth in the Grantee’s CFA #9-74676. The Grantee has agreed to complete the CFA #9-74677 project at its own expense, and will be required to pass all of the census blocks awarded under CFA #9-74677. No further grant award will be disbursed for the work required under CFA #9-74677. All Key Project indicators are inclusive of the additional census blocks awarded under CFA #9-74677.

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Results – Expand broadband access to 903 Housing Units (HUs) and 87 Other Units. (See Table A, which describes all Key Project Indicators.)⁷

Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment Costs & FCC Licenses Costs	\$2,258,021	ESD Grant	\$2,710,497	80%
Outside Plant Costs	427,000	Company Equity	340,502	10%
Tower Costs	100,000	Additional Financial Commitment	354,022	10%
Building and Land Costs	50,000			
Drop and Eligible Customer Premises Equipment	200,000			
Professional Services (not included elsewhere)	85,000			
Testing & Commissioning	45,000			
Other Eligible Project Costs	240,000			
Total Project Costs	\$3,405,021	Total Project Financing	\$3,405,021	100%

Grantee Contact - Jason Guzzo, General Manager
John R. Guzzo, LLC (d/b/a Hudson Valley Wireless)
34 Russell Road
Albany, NY 12205
Phone: (518) 379-9470

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Connor Corcoran
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.

⁷ Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office's estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

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2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$2,710,497 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

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6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
 - (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the

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cost of dual use construction or equipment shall be eligible

- (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
 - (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
 - (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
 - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.
9. Eligible Expense Categories include but are not limited to the following:
- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
 - (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
 - (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
 - (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
 - (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
 - (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
 - (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.

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- (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.
10. Ineligible Expenses included but are not limited to the following:
- (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
 - (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
 - (iii) Operating expenses of the Grantee will not be funded.
 - (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.
11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,710,497, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.
- (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;

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- vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements
13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.
14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the Grantee's entire service area.
15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

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

**Hudson Valley Wireless - Connecting the Capital District Phase 3 (Unserviced)
Broadband Capital (AC819)**

August 16, 2018

The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 13% related to the total value of ESD's funding.

Statutory Basis – New NY Broadband Program:

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 and 2018-19 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Basic Project Information	
Project Name	Connecting the Capital District Phase 3 (Unserved) Broadband Capital
Project ID Number	AC819
Contact Name	Jason Guzzo
Contact Number	(518) 379-9470
Website	www.hvwisp.com
Email	jason.guzzo@hvwisp.com
Company	John R. Guzzo, LLC (d/b/a Hudson Valley Wireless)
REDC(s)	Capital and Mohawk Valley Regions
County(ies)	Albany, Rensselaer, Saratoga, Schenectady, Schoharie, and Washington Counties
NYS Assembly District #s	102, 107, 108, 109, 110, 111, 113, 114
NYS Senate District #s	43, 44, 45, 46, 49, 51
U.S. Congressional District #s	19,20,21
Total Census Blocks to be passed by project	214
Total Units to be passed by project	990
Total Project Cost (state + private)	\$3,405,021
Total Applicant Private Match	\$694,524
Total Grant Amount (\$)	\$2,710,497
Max speeds offered (download/upload)	100/10 Mbps – Residential
Required pricing tier offered?	Yes
Technology Type	Fixed Wireless
Type of Service Area: Unserved vs. Underserved	Unserved

Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	903
Other Units Passed	87
TOTAL Units Passed	990
Census Blocks Passed***	214
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	N/A
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	N/A
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	18 sq. miles
Existing Network Miles Upgraded	67 sq. miles
Number of Miles of New Fiber	0
Number of Towers Connected	26
Number of New Interconnection Points	1
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$352,364.61
Eligible Project Expenditures (\$) Made	\$2,710,497
Private Match (\$)	\$694,524
Speed Tiers & Pricing	Max Download Speed Offered
RESIDENTIAL – PRIORITY 10	10 Mbps
RESIDENTIAL – PRIORITY 25	25 Mbps

RESIDENTIAL – PRIORITY 50	50 Mbps
RESIDENTIAL – PRIORITY 75	75 Mbps
RESIDENTIAL – PRIORITY 100	100 Mbps
RESIDENTIAL – BASIC	6 Mbps
RESIDENTIAL – ENHANCED	15 Mbps
RESIDENTIAL – eXTREME	25 Mbps
COMMERCIAL – BASIC	6 Mbps
COMMERCIAL – ENHANCED	15 Mbps
COMMERCIAL – eXTREME	25 Mbps
COMMERCIAL – DIA	UP TO 10-Gbps
Network Construction Completion Date:	December 31, 2019
Customer Installations Completion Date:	December 31, 2021
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	

Table B: Project Footprint

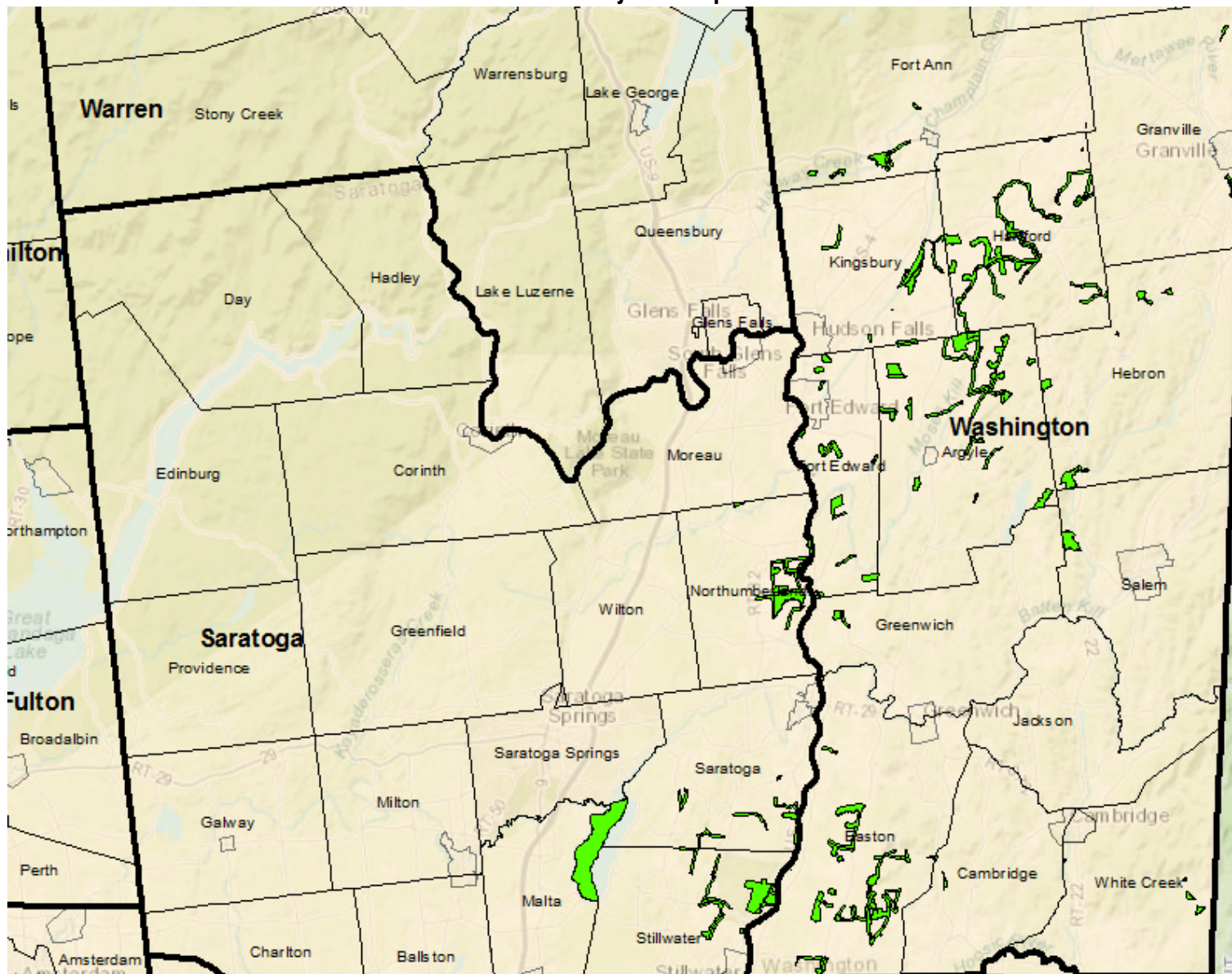


Table B: Project Footprint cont.

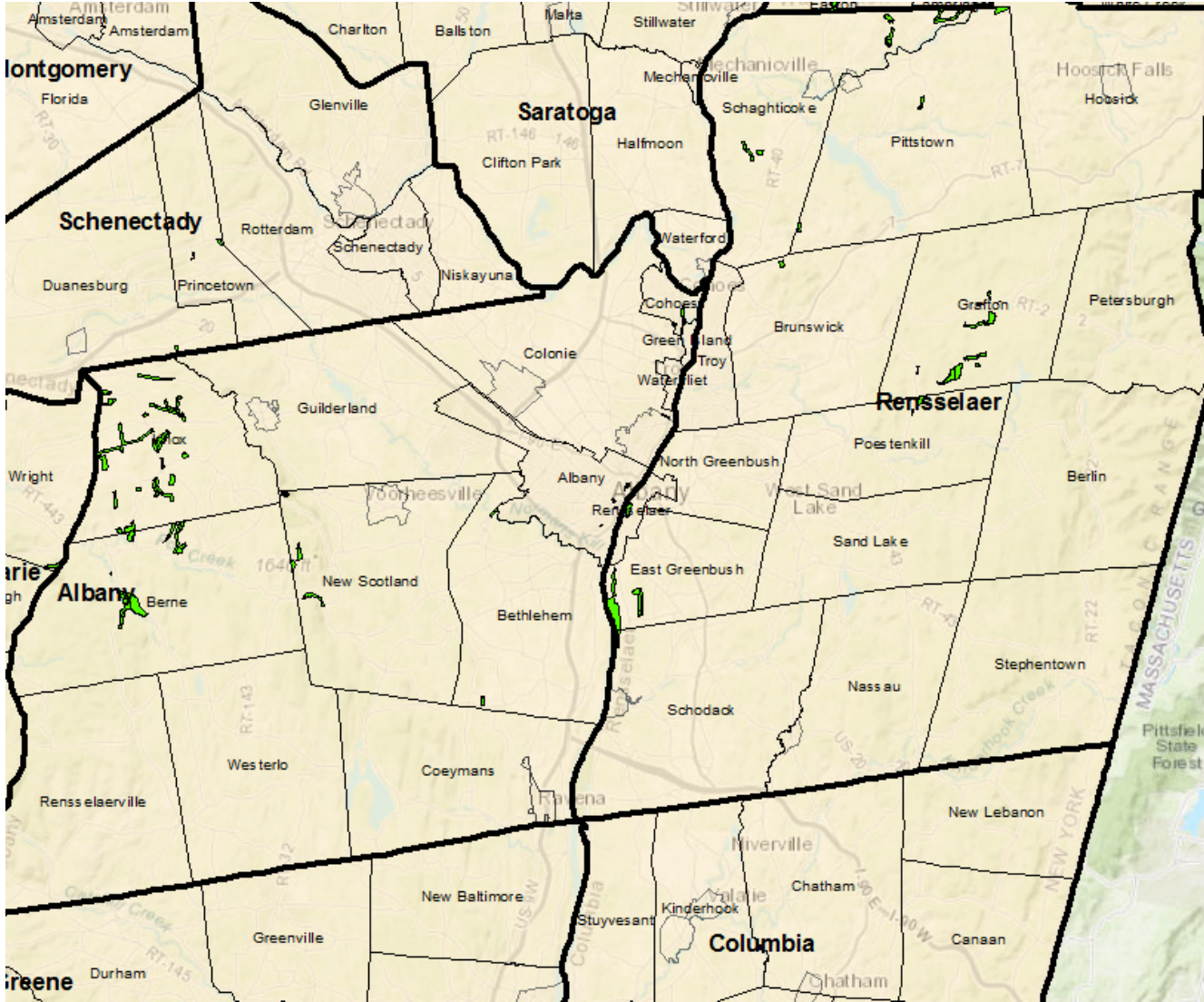


Table C: Project Milestones

Project Milestones
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by December 31, 2019 . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational
Project Start Date <u>March 29, 2018</u> Projected Completion Date <u>December 31, 2019</u> Projected # of Milestone Reports <u>6-8</u>

Time Period	Quarter	Milestones	Narrative Explanation (If Any)
Year 1	Qtr. 1	NY-21 Argyle, NY-31 Backus Silo, NY-44 L-Burch, NY-53 Kuster, NY-58 Ideal, NY-200 HVW, Subscriber Installations	
	Qtr. 2	NY-0 Data Center, NY-4 West, NY-9 Stitchman, NY-10 Earl, NY-11 Buskirk, NY-46 Slyboro, NY-13 Bacon Hill, NY-30 Ives Hill, NY-45 Burch Hill, NY-56 Shine Hill, NY-57 Hall Silo, NY-64 RensCo Govt Center, NY-77 Eagle Bridge, NY 78 Ridge Road, Subscriber Installations	
	Qtr. 3	NY-1 Grafton, NY-4 Willard Mtn, NY-6 Todd Mtn, NY-14 Patterson Hill, NY-27 Radar, NY-42 Bald Mtn, NY-59 Dick Hill, NY-71 Rensco Grafton, Subscriber Installations, IRU, Pole Locations	
	Qtr. 4	NY-19 Duaneburgh, NY-24 Hoosick Falls, NY-48 Granville, NY-74 Pinnacle, NY-81 Knox, NY-136 Jansen, Subscriber Installations, NY-15 Tingue	
Year 2	Qtr. 1	Subscriber Installations	
	Qtr. 2	Subscriber Installations	
	Qtr. 3	Subscriber Installations	
	Qtr. 4	Subscriber Installations	

H. Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

August 16, 2018

General Project Plan

- Grantee:** Mid-Hudson Data Corp. (“Mid-Hudson Data” or the “Company”)
- ESD Investment:** A grant of up to \$3,649,999 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Capital Region of New York State.
- Project Location:** Albany, Columbia, and Greene Counties
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Capital Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in May of 2018. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry - Internet Service Provider (ISP); Business Corporation

Company History - The Company was established in 2005 and has taken the lead in Greene and Columbia Counties, installing Fiber Optic Infrastructure to support multiple municipalities, E911, Police, Fire and Rescue by connecting through its redundant Gigabit Fiber Infrastructure. It designs, installs, and maintains high-end middle-mile, and last-mile infrastructure along with building state-of-the-art facilities.

Ownership - The Company is privately held.

Size – Mid-Hudson Data employs 10 full-time staff members.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. “Download speeds” refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files through email, stream video, or use cloud-based services. Upload speeds refer to the speeds at which data is transmitted by an Internet user to another user, to a website, or cloud-based service. Average consumers typically use broadband for downloading data,

Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

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making download speeds the standard measure for broadband access.

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

ESD Involvement - In 2015, New York State (the "State") created the \$500 million New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative "reverse-auction" methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office (BPO) announced the Program's initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program's second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program's third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC's Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

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

Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

August 16, 2018

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion)	Purpose
New NY Broadband 15-16 Capital (Phase 1)	AB167	\$59,155	December 2016	May 31, 2017	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 1)	AB155	\$950,184	February 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 2)	AB906	\$849,818	May 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure

The Project:

Completion: Network Construction: November 30, 2019

Customer Installations: November 30, 2021

Activity - Build Fiber-to-the-Home (“FTTH”) infrastructure to deliver high-speed internet service within the Project Location using Gigabit Passive Optical Network (“GPON”) technology.

Results – Expand broadband access to 1,879 Housing Units (“HUs”) and 100 Other Units. (See Table A, which describes all Key Project Indicators.)⁸

⁸ Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office’s estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

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Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$286,000	ESD Grant	\$3,649,999	80%
Outside Plant Costs	3,687,053	Company Equity	468,629.50	10%
Drop and Eligible Customer Premises Equipment	494,205	Additional Financial Commitment	468,629.50	10%
Professional Services (not included elsewhere)	60,000			
Testing	20,000			
Other Project Costs (Misc. Supplies)	40,000			
Total Project Costs	\$4,587,258	Total Project Financing	\$4,587,258	100%

Grantee Contact - Stephen Souky, CFO
 Mid-Hudson Data Corp
 200 Jefferson Heights
 Catskill, NY 12414
 Phone: (518) 719-8114

Project Team -

Origination	Beverly Bobb
Project Management	Connor Corcoran
Contractor & Supplier Diversity	Danah Alexander
Finance	Jonevan Hornsby
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.

Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

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4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$3,649,999 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than November 30, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than November 30, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than November 30, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the

Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

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- network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to “run drops” to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user’s premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
- ii. “Construction and improvement” also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
 - (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
 - (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
 - (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee’s total eligible expenses.
 - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without

Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

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justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.

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

10. Ineligible Expenses included but are not limited to the following:
 - (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
 - (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
 - (iii) Operating expenses of the Grantee will not be funded.
 - (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.

11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,649,999, 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

Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

August 16, 2018

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

12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.

(i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
- xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements

Mid-Hudson Data Corp. - Phase III Unserved Broadband Capital (AC821)

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13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.
14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the Grantee's entire service area.
15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 13% related to the total value of ESD's funding.

Statutory Basis – New NY Broadband Program:

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 and 2018-19 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Basic Project Information	
Project Name	Phase III Unserved Broadband Capital
Project ID Number	AC821
Contact Name	Stephen Souky
Contact Number	(518) 719-8114
Website	http://www.mhdatacorp.com/
Email	stephens@mid-hudson.com
Company	Mid-Hudson Data Corp.
REDC(s)	Capital District
County(ies)	Albany, Columbia and Greene Counties
NYS Assembly District #s	102, 106
NYS Senate District #s	43, 46
U.S. Congressional District #s	19, 20
Total Census Blocks to be passed by project	158
Total Units to be passed by project	1,979
Total Project Cost (state + private)	\$4,587,258
Total Applicant Private Match	\$937,259
Total Grant Amount (\$)	\$3,649,999
Max speeds offered (download/upload)	150/12 Mb Residential; 1Gig Commercial
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress

Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	1,879
Other Units Passed	100
TOTAL Units Passed	1,979
Census Blocks Passed***	158
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	N/A
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	N/A
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	115 Miles
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	115 Miles
Number of Towers Connected	0
Number of New Interconnection Points	0
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$474,499.87
Eligible Project Expenditures (\$) Made	\$3,649,999
Private Match (\$)	\$937,259
Speed Tiers & Pricing	Max Download Speed Offered
Residential	150Mb
Commercial	1Gig
Network Construction Completion Date:	November 30, 2019
Customer Installations Completion Date:	November 30, 2021

*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	

Table B: Project Footprint

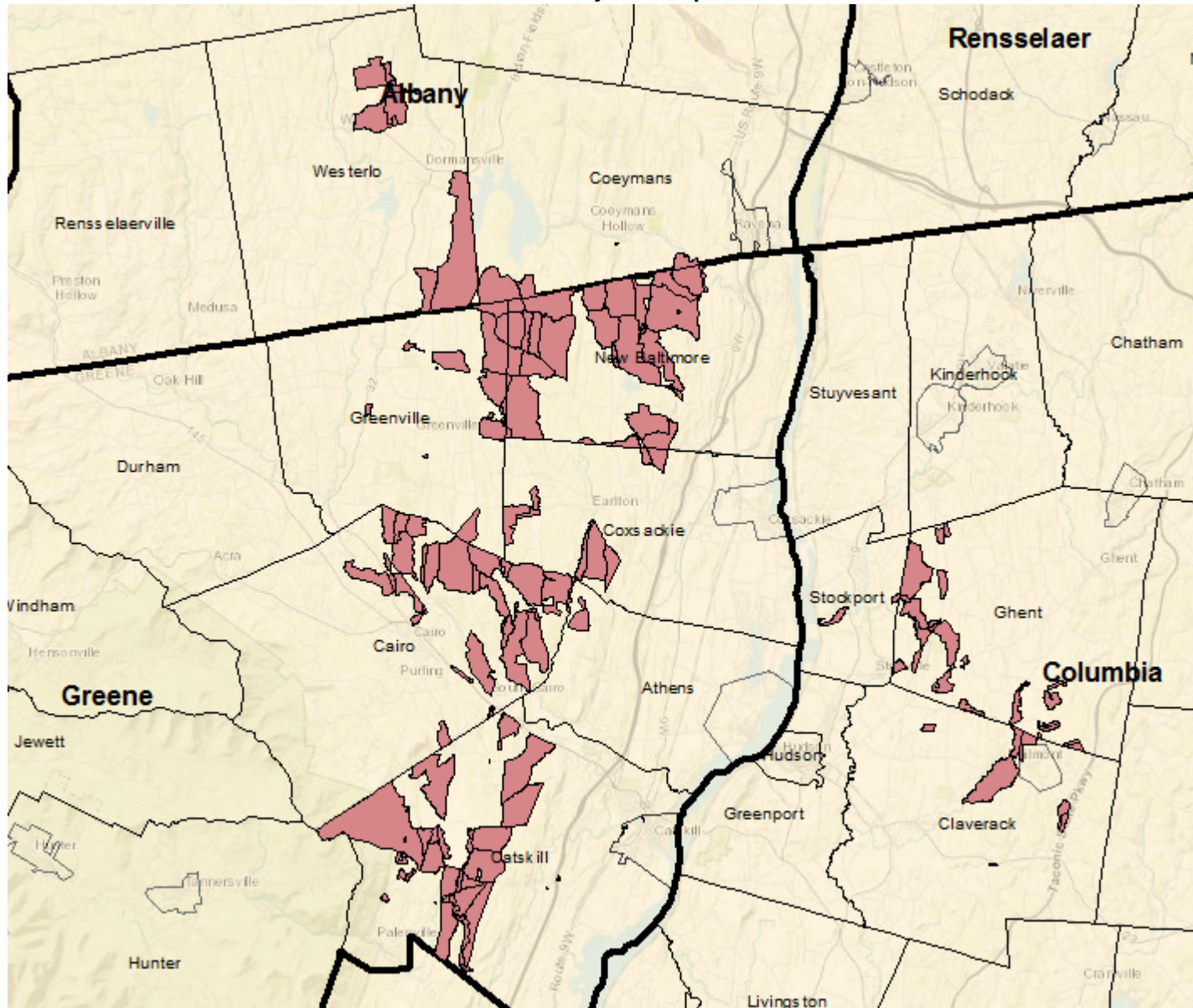


Table C: Project Milestones

Project Milestones
The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by November 30, 2019 . The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational
Project Start Date <u>TBD</u> Projected Completion Date <u>November 30, 2019</u> Projected # of Milestone Reports <u> </u>

Time Period	Quarter	Milestones	Narrative Explanation (If Any)
Year 1	Qtr. 1	Mapping and Design Columbia County	Complete mapping and design for Columbia county
	Qtr. 2	Pole Licensing process Columbia county and mapping and design in Greene/Albany County	
	Qtr. 3	Begin Construction Columbia County – Pole licensing process Greene/Albany County	
	Qtr. 4	Construction in all 3 counties	
Year 2	Qtr. 1	Service installs in Columbia county continue construction in Greene/Albany County	
	Qtr. 2	Continue construction in Greene/Albany county – start providing installs in Greene/Albany County	
	Qtr. 3	Continue construction in Greene/Albany county – start providing installs in Greene/Albany County	
	Qtr. 4	Providing installs in all areas applied for	

I. Otsego Rural Broadband - Phase 3 Broadband Capital (AC823)

August 16, 2018

General Project Plan

- Grantee:** Otsego Electric Cooperative, Inc. (d/b/a Otsego Rural Broadband) (“Otsego Electric Cooperative” or the “Company”)
- ESD Investment:** A grant of up to \$1,440,693 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Mohawk Valley Region of New York State.
- Project Location:** Otsego and Herkimer Counties
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in May of 2018. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry - Internet Service Provider (“ISP”); Business Corporation

Company History - Otsego Electric Cooperative was formed in 1944 through the efforts of local farmers and others to create a cooperative to supply members with affordable power. Consumers who receive service are members and have the opportunity to attend the Annual Meeting and cast a vote in any business that may come before membership.

Ownership - The Company is a business corporation.

Size - All facilities are located in Otsego County, NY.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. “Download speeds” refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files through email, stream video, or use cloud-based services. Upload speeds refer to the speeds at which data is transmitted by an Internet user to another user, to a website, or

Otsego Rural Broadband - Phase 3 Broadband Capital (AC823)

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cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

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

ESD Involvement - In 2015, New York State (the "State") created the \$500 million New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative "reverse-auction" methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office ("BPO") announced the Program's initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program's second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program's third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC's Connect America Fund (CAF), as the result of a landmark partnership with the Federal Communications Commission.

Past ESD Support - Funding for the past five years to the Grantee is summarized in the

Otsego Rural Broadband - Phase 3 Broadband Capital (AC823)

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following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion)	Purpose
New NY Broadband 15-16 Capital (Phase 2)	AB914	\$2,631,472	May 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 2)	AB915	\$1,304,477	May 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 3)	AC824	\$4,298,623	July 2018	December 31, 2019	Capital Grant – Installation of high-speed broadband infrastructure

The Project:

Completion: Network Construction: December 31, 2019

Customer Installations: December 31, 2021

Activity - Constructing Fiber-to-the-Home (“FTTH”) infrastructure consisting of about 61 miles of fiber for service to 260 units with a Gigabit Passive Optical Network (“GPON”) network within the Cooperative’s existing electric distribution network.

Results – Expand broadband access to 252 Housing Units (“HUs”) and 8 Other Units. (See Table A, which describes all Key Project Indicators.)⁹

⁹ Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office’s estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

Otsego Rural Broadband - Phase 3 Broadband Capital (AC823)

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Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$26,688	ESD Grant	\$1,440,693	80%
Outside Plant Costs	1,635,384	Company Equity	180,087.5	10%
Drop and Eligible Customer Premises Equipment	138,796	Additional Financial Commitment	180,087.5	10%
Total Project Costs	\$1,800,868	Total Project Financing	\$1,800,868	100%

Grantee Contact - Tim Johnson, CEO
Otsego Electric Cooperative, Inc. (d/b/a Otsego Rural Broadband)
3192 County Hwy 11
Hartwick, NY 13348
Phone: (607) 293-6622

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Connor Corcoran
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

Otsego Rural Broadband - Phase 3 Broadband Capital (AC823)

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5. Up to \$1,440,693 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - (i) To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to "run drops" to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user's premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are

Otsego Rural Broadband - Phase 3 Broadband Capital (AC823)

August 16, 2018

eligible expenses within these Guidelines.

- ii. "Construction and improvement" also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- (ii) For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - (iii) Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
 - (iv) To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
 - (v) To fund reasonable make-ready expenses incurred as a result of providing broadband service
 - (vi) To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee's total eligible expenses.
 - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.
9. Eligible Expense Categories include but are not limited to the following:
- (i) Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment,

Otsego Rural Broadband - Phase 3 Broadband Capital (AC823)

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transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.

- (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
- (iii) Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
- (iv) Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
- (v) Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
- (vi) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
- (vii) Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
- (viii) Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.

10. Ineligible Expenses included but are not limited to the following:

- (i) Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
- (ii) Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
- (iii) Operating expenses of the Grantee will not be funded.
- (iv) Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.

11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,440,693, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.

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- (i) The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements

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

Otsego Rural Broadband - Phase 3 Broadband Capital (AC823)

August 16, 2018

14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the Grantee's entire service area.
15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 8% related to the total value of ESD's funding.

Statutory Basis – New NY Broadband Program:

The funding was authorized in the FY 2015-2016 New York State enacted budget, and re-appropriated in the 2017-2018 and 2018-19 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Basic Project Information	
Project Name	Otsego Rural Broadband Phase 3 Broadband Capital
Project ID Number	AC823
Contact Name	Tim Johnson
Contact Number	(607) 293-6622
Website	http://www.otsegoec.coop/
Email	tim.johnson@otsegoec.coop
Company	Otsego Electric Cooperative, Inc. (d/b/a Otsego Rural Broadband)
REDC(s)	Mohawk Valley
County(ies)	Otsego and Herkimer Counties
NYS Assembly District #s	101, 121, 122
NYS Senate District #s	51
U.S. Congressional District #s	19, 22
Total Census Blocks to be passed by project	75
Total Units to be passed by project	260
Total Project Cost (state + private)	\$1,800,868
Total Applicant Private Match	\$360,175
Total Grant Amount (\$)	\$1,440,693
Max speeds offered (download/upload)	1 Gbps / 1 Gbps
Required pricing tier offered?	Yes
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress
Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting	To be answered during project progress

timeframes? (Yes**/No)	
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	252
Other Units Passed	8
TOTAL Units Passed	260
Census Blocks Passed***	75
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	\$49.95
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	Up to 1 gig/month/unit
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	61
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	61
Number of Towers Connected	0
Number of New Interconnection Points	Maybe 1
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$115,255.44
Eligible Project Expenditures (\$) Made	\$1,440,693
Private Match (\$)	\$360,175
Speed Tiers & Pricing	Max Download Speed Offered
Residential	1 Gbps / 1 Gbps
Network Construction Completion Date:	December 31, 2019
Customer Installations Completion Date:	December 31, 2021
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except where authorized by the ESD Broadband Program Office to pass a Census Block in part	

Table B: Project Footprint

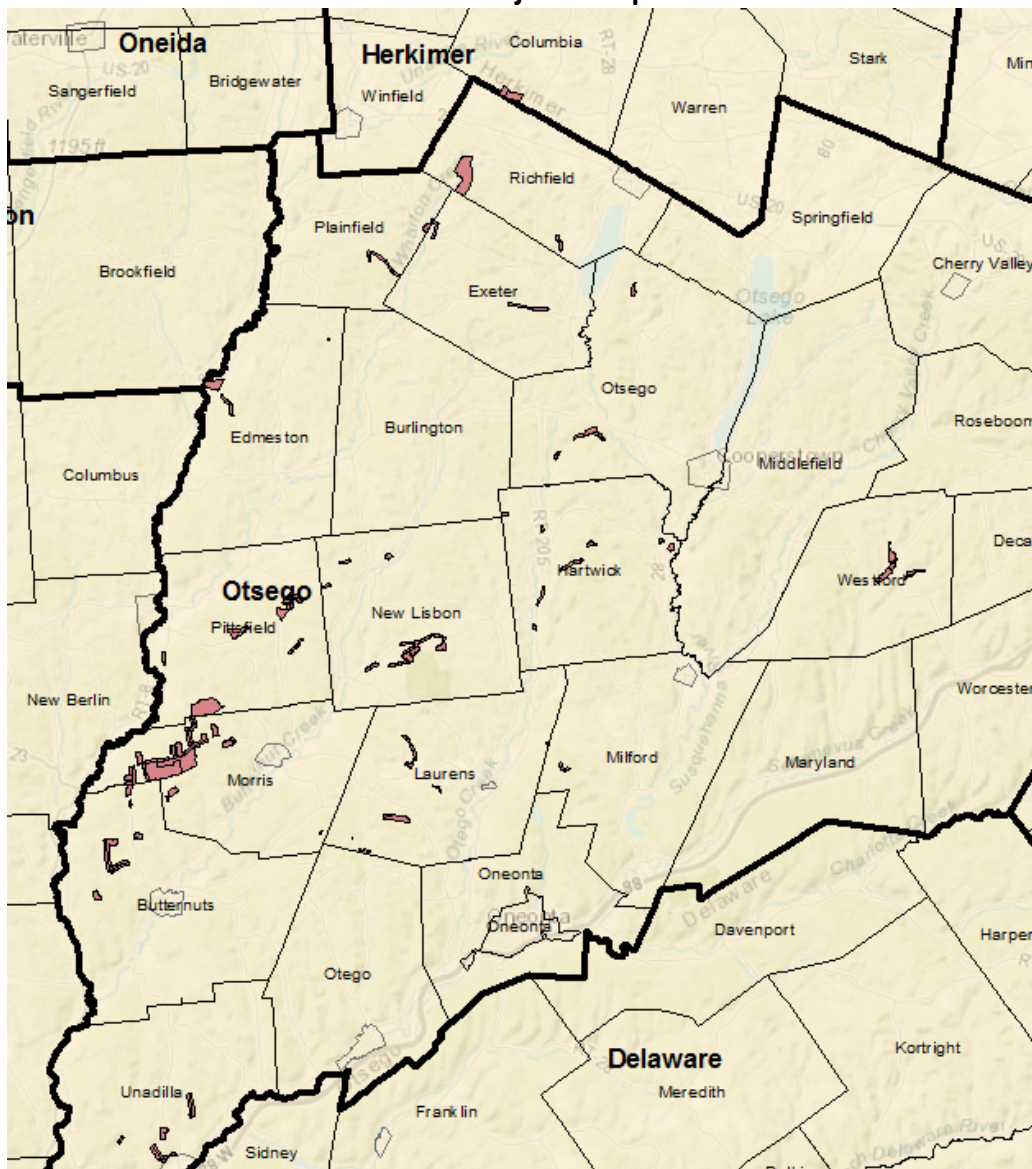


Table C: Project Milestones

Project Milestones

The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by **December 31, 2019**. The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational

Project Start Date _____ Projected Completion Date _____ Projected # of Milestone Reports _____

Preliminary FTTH Construction Schedule				
Category	Description	Start	Duration	End
Design	Refresh Conexon GIS database	5/1/2018	5	5/6/2018
Design	Identify core and transmission routes and shared core/distribution routes	5/6/2018	16	5/22/2018
Design	Finalize architecture	5/1/2018	5	5/6/2018
Design	Route design for staking walk out	5/22/2018	25	6/16/2018
Design	Permitting (where necessary)	6/16/2018	120	10/14/2018
Design	Update design with walk out notes	9/14/2018	5	9/19/2018
Design	Final construction map books with splicing and connectivity	9/19/2018	45	11/3/2018
Design	BOM generation	10/4/2018	5	10/9/2018
Design	As built input and final GIS updates	3/13/2019	45	4/27/2019
Design	Service drop connectivity as-builts	4/2/2019	21	4/23/2019
Construction	Finalize specs for aerial, underground, and service drops	5/1/2018	16	5/17/2018
Construction	Cabinets/building site selection	5/1/2018	16	5/17/2018
Construction	Power requirements and staking for POP building	5/17/2018	14	5/31/2018
Construction	Construction at POP sites (UG, vault, building placement)	5/31/2018	28	6/28/2018
Construction	Contractor RFP	5/17/2018	30	6/16/2018
Construction	Bid selection	6/16/2018	5	6/21/2018
Construction	Contracts	6/21/2018	14	7/5/2018
Construction	Make ready staking	6/16/2018	90	9/14/2018
Construction	Make ready construction	9/14/2018	90	12/13/2018
Construction	Materials ordering and management	10/9/2018	90	1/7/2019
Construction	Aerial strand, UG conduit, and fiber construction	11/13/2018	100	2/21/2019
Construction	Splicing, testing, and certification	12/3/2018	100	3/13/2019
Construction	Quality control inspection	11/27/2018	140	4/16/2019
Construction	Drop tracking and light reading management	12/3/2018	120	4/2/2019
Construction	Service drops	1/2/2019	90	4/2/2019
Construction	Service drop quality control inspection	1/9/2019	90	4/9/2019
Installations	Installations	1/16/2019	90	4/16/2019
Milestones				
	Design start	5/22/2018		
	Make ready staking start	6/16/2018		
	Make ready construction start	9/14/2018		
	Fiber construction start	11/13/2018		
	GPON access equipment installation completion	12/3/2018		
	Service drop construction start	12/3/2018		
	First customer online	1/16/2019		
	Mainline construction workorder closeout	4/16/2019		
	Service drop workorder closeout	4/9/2019		
	Initial installations completed	4/16/2019		
	As built GIS data delivery and feeder completion	4/23/2019		

J. MIDTEL - Round 3 MIDTEL Unserved Broadband Capital (AC833)

August 16, 2018

General Project Plan

- Grantee:** The Middleburgh Telephone Company (“MIDTEL” or the “Company”)
- ESD Investment:** A grant of up to \$2,318,108 to be used for a portion of the cost to expand broadband coverage to Unserved communities in the Capital Region of New York State.
- Project Location:** Albany County
Please refer to Table B for the Project Footprint
- Proposed Project:** Installation of broadband networks to expand broadband access and increase capacity.
- Project Type:** Infrastructure Investment Project
- Regional Council:** The Capital Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in June 2018. The project is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry - Internet Service Provider (ISP); Business Corporation

Company History - Established in 1897, the Company is one of the oldest of New York State’s 40 independent telephone companies. Today, the Company serves over 7,000 customers throughout 330 square miles of Schoharie County and parts of Albany County. In addition to local telephone service, the Company provides long distance telephone, cable television, and Internet service through its subsidiaries; MTLN, MIDTEL CABLE TV, and MIDTEL NET.

Ownership – The Company is privately owned.

Size - All facilities are located in Middleburgh, NY, and MIDTEL employs a staff of approximately 30.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. “Download speeds” refer to the speeds at which data is received by an Internet user -- *i.e.*, the speeds at which the user can access websites, receive files

MIDTEL - Round 3 MIDTEL Unserved Broadband Capital (AC833)

August 16, 2018

through email, stream video, or use cloud-based services. Upload speeds refer to the speeds at which data is transmitted by an Internet user to another user, to a website, or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

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

ESD Involvement - In 2015, New York State (the "State") created the \$500 million New NY Broadband Program (the "Program"), which is intended to provide every New Yorker with broadband access at Internet download speeds of at least 100 Mbps in most places, and 25 Mbps in the most remote parts of the State.

The Program provides grant funding to projects expanding broadband access to Unserved and Underserved areas across the State, with priority given to projects addressing Unserved areas, public libraries, and Educational Opportunity Centers. An Unserved area is defined as an area where broadband service is not available from a wireline facilities-based provider at advertised speeds equal to or higher than 25 Mbps (download). An Underserved area is defined as an area where broadband service is available from a wireline facilities-based provider at maximum advertised speeds between 25-99 Mbps (download). The Program selects grant recipients through an innovative "reverse-auction" methodology, which awards funding to qualifying applicants seeking the lowest amount of State investment per location addressed.

The ESD Broadband Program Office (BPO) announced the Program's initial round of grant awards (Phase 1) in August 2016. Phase 1 consisted of 25 projects representing a total public/private investment of approximately \$75.8 million (\$54.2 million in State funding, and \$21.6 million in private funding). In February 2017, the BPO announced the Program's second round of grant awards (Phase 2) - 54 projects representing a total public/private investment of approximately \$268 million (\$211.8 million in State funding, and \$56.2 million in private funding).

Most recently, in March 2018, the BPO announced the Program's third round of grant awards (Phase 3). Phase 3 will fund an additional 47 projects representing a total public/private investment of approximately \$385 million (\$225 million in State funding and \$160 million in estimated private and federal funding). Certain Phase 3 awarded projects will leverage federal funding through the FCC's Connect America Fund (CAF), as

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the result of a landmark partnership with the Federal Communications Commission.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion)	Purpose
New NY Broadband 15-16 Capital (Phase 1)	AB156	\$5,562,548	November 2016	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure
New NY Broadband 15-16 Capital (Phase 1)	AB905	\$6,831,856	May 25, 2017	December 31, 2018	Capital Grant – Installation of high-speed broadband infrastructure

The Project:

Completion: Network Construction: December 31, 2019

Customer Installations: December 31, 2021

Activity - Construct Fiber-to-the-Home (“FTTH”) infrastructure using Gigabit Passive Optical Network (GPON) technology. The design will utilize centralized 1x32 splitters in the CO/POP location of each serving area, field distribution Multi-Service Terminals (“MSTs”) for distributed fiber aggregation, and pre-connectorized Multi-Port Terminals for subscriber drop connections.

Results – Expand broadband access to 278 Housing Units (“HUs”) and 13 Other Units. (See Table A, which describes all Key Project Indicators.)¹⁰

¹⁰ Please note that Indicators stated in Tables A, B, and C reflect the Broadband Program Office’s estimates of total Units, Housing Units, Libraries, and other types of Units within each Census Block to be addressed by this Project, according to availability data. Upon completion of the Project, final Unit totals may differ from those stated herein.

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Financing Uses	Amount	Financing Sources	Amount	Percent
Network & Access Equipment	\$99,660	ESD Grant	\$2,318,108	80%
Outside Plant Costs	2,503,363	Company Equity	289,763.50	10%
Building and Land Costs	99,500	Additional Financial Commitment	289,763.50	10%
Drop and Eligible Customer Premises Equipment	135,112			
Professional Services (not included elsewhere)	60,000			
Total Project Costs	\$2,897,635	Total Project Financing	\$2,897,635	100%

Grantee Contact - James Becker, President
The Middleburgh Telephone Company (MIDTEL)
103 Cliff Street
Middleburgh, NY 12122
Phone: (518) 827-5211

<u>Project Team</u> -	Origination	Beverly Bobb
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Danah Alexander
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Company shall reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Grantee Co-Investment: The New NY Broadband Program has set a goal of soliciting private sector Matching Funds for 50% of the capital needed across the Program. Consistent with that goal, the Grantee will provide a minimum financial commitment of 20% of eligible project costs. Further, a portion of the Grantee's financial commitment – at least 10% of total Eligible Project Costs – must be equity capital injected into the project by the Grantee, as described below.
4. The Company will be required to contribute a minimum of 10% of the total project cost

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in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

5. Up to \$2,318,108 will be disbursed to Grantee as reimbursement for eligible expenses incurred no more frequently than quarterly, during the course of design and/or construction; upon completion of Key Project Indicators and Project Milestones; and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon meeting all Key Project Indicators and Project Milestones as evidenced by supporting documentation and required reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Expenses must be incurred on or after March 29, 2018, the date that ESD notified Grantee of the New NY Broadband Program award, to be considered eligible project costs. Expenditures incurred prior to the date of the Award Letter are not eligible project costs, and cannot be reimbursed by grant funds. All disbursements require compliance with requirements of the New NY Broadband Program, as set forth herein and in the New NY Broadband Program Phase 3 Request for Proposal Guidelines.

6. Design and construction of the Project must be completed no later than December 31, 2019. All disbursements in connection with design and construction of the Project must be requested by no later than December 31, 2020.
7. All disbursements in connection with installation of service on customer premises under the Project must be requested no later than December 31, 2022.
8. Grant Funds are to be used for the following:
 - a. To fund the construction or improvement of all facilities required to pass all Units located within the Grantee's Service Area with a network capable of providing the specified broadband service
 - i. "Construction or improvement" should also include the cost of all network infrastructure and electronics required to connect Units to the network in order to provide service to end-users located within the

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Service Area that are expected to subscribe to service upon completion of the project (i.e., the cost to “run drops” to anticipated customers), where such connections are within standard drop lengths, require standard electronics, and do not require the placement poles on the end-user’s premises (Special Construction). Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.

- ii. “Construction and improvement” also includes costs associated with end-users located within the Service Area that are not expected to subscribe to service upon project completion. Grantees must provide service, in a reasonable timeframe and at no additional cost (outside the standard monthly recurring cost for service), to the locations of these potential customers where such connections are within standard drop lengths, require standard electronics, and do not require Special Construction. Such costs, exclusive of Special Construction and equipment sold or leased to end-user customers, are eligible expenses within these Guidelines.
 - iii. Systems shall be designed and constructed so that customers not within a standard drop length only require installation of a longer drop, and, only in very extreme instances, additional amplification for that customer.
- b. For the upfront investment associated with installing and/or upgrading existing broadband facilities on a one-time, capital improvement basis, in order to expand broadband access and increase capacity
 - c. Where proposed construction or equipment or other items (leases, expenses, indirect costs) may serve both the proposed areas and other areas (dual use), the Grantee shall calculate the percentage of passings in the proposed area or areas relative to the total number of passings, and only that percentage of the cost of dual use construction or equipment shall be eligible
 - d. To fund the cost of long-term leases, defined as leases for a duration longer than 1 year, of facilities required to provide broadband service
 - e. To fund reasonable make-ready expenses incurred as a result of providing broadband service
 - f. To fund reasonable indirect costs associated with the implementation of the grant efforts and consistent with the principles outlined in the New NY Broadband RFP Grant Guidelines, excluding maintenance and operating expenses, customer operations, general and administrative costs, efforts associated with bidding on and obtaining the grants, and any efforts not associated with the actual deployment of the network
 - i. A Grantee may not seek indirect costs in an amount constituting more than 15% of the Grantee’s total eligible expenses.
 - ii. Such costs must be identified as line-items in the application to be eligible for reimbursement. Costs that appear excessive and/or without

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justification and costs not considered eligible will not be reimbursed. When seeking reimbursement, Grantees must submit such indirect costs as line-items and provide justification for the expense.

9. Eligible Expense Categories include but are not limited to the following:
 - a. Network & Access Equipment Costs: Includes optical equipment, digital line concentrators, digital subscriber line access multiplexers, radio equipment, transport multiplexors, routers and Ethernet switches, distribution frames and panels, power equipment, and associated software costs chargeable to capital.
 - b. Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, cross-connect cabinets and splitters, fiber service terminals and enclosures, pedestals, standard drops, network interface devices, optical network terminals and reasonable make-ready costs.
 - c. Tower Costs: Includes the construction of new towers (where required infrastructure does not exist) and costs involved with structural changes to existing towers.
 - d. Building and Land Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs directly related to providing broadband service to the funded Service Area.
 - e. Customer Premises Equipment: Funding only covers up to the network demarcation point (e.g., NID or ONT).
 - f. Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
 - g. Testing: Includes items such as testing network and IT systems, user devices, servers, lab furnishing and test generators.
 - h. Other Upfront Costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material.
10. Ineligible Expenses included but are not limited to the following:
 - a. Only Standard Drop Lengths will be eligible for funding. Drops requiring Special Construction will be the responsibility of the consumer.
 - b. Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point.
 - c. Operating expenses of the Grantee will not be funded.
 - d. Expenses incurred prior to the date of the grant award announcement will not be eligible for funding.
11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,318,108, for this project if ESD determines that the reallocation of the

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

12. The Recapture Amount - if the property is sold within 5-years of disbursement, or if Grantee fails to complete Key Project Indicators and Milestones – is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred, and/or failure to complete Indicators and Milestones.
 - a. The Recapture Amount – if the failure to complete Key Project Indicators and Milestones occurs – shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - i. 100% of the disbursed amount if 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ii. 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iii. 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - iv. 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - v. 60% of the disbursed amount if 31% to 40% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vi. 50% of the disbursed amount if 41% to 50% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - vii. 40% of the disbursed amount if 51% to 60% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - viii. 30% of the disbursed amount if 61% to 70% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - ix. 20% of the disbursed amount if 71% to 80% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - x. 10% of the disbursed amount if 81% to 90% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - xi. 5% of the disbursed amount if 91% to 99% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;

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requirements

13. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the NESC requirements. New NY Broadband grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the NESC, and all applicable and current electrical and safety requirements of any State or local governmental entity.
14. Broadband Mapping Program Compliance: Grantee shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the Grantee's entire service area.
15. In the event Reports, Updates, Mapping, and/or Milestone Reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and/or Milestone Reports are not received within 45 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 12% related to the total value of ESD's funding.

Statutory Basis – New NY Broadband Program:

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

Additional Submissions to Directors:

Table A – Key Project Indicators

Table B – Project Footprint

Table C – Project Milestones

Table A: Key Project Indicators

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

KEY PROJECT INDICATORS	
Key Project Indicators: In consideration for the making of the Grant, Grantee has agreed to achieve the Key Project Indicators set forth below:	
Quarter:___ Date: __/__/201__ to __/__/201__	
Basic Project Information	
Project Name	Round 3 MIDTEL Unserved Broadband Capital
Project ID Number	AC833
Contact Name	James Becker
Contact Number	(518) 827-5211
Website	http://www.midtel.net/
Email	jim@midtel.net
Company	The Middleburgh Telephone Company (MIDTEL)
REDC(s)	Capital District
County(ies)	Albany
NYS Assembly District #s	102,111
NYS Senate District #s	46
U.S. Congressional District #s	20
Total Census Blocks to be passed by project	44
Total Units to be passed by project	291
Total Project Cost (state + private)	\$2,897,635
Total Applicant Private Match	\$579,527
Total Grant Amount (\$)	\$2,318,108
Max speeds offered (download/upload)	250Mbps/50Mbps
Required pricing tier offered?	Yes, \$59.00 for 75Mbps/15Mbps
Technology Type	Fiber-to-the-Home (FTTH)
Type of Service Area: Unserved vs. Underserved	Unserved
Monthly Project Questions	
Is your Project On Time? (Yes/No*)	To be answered during project progress
Is your Project On Budget? (Yes/No*)	To be answered during project progress
Have there been any project changes? (Yes**/No)	To be answered during project progress

Have you communicated with any State agency, authority or commission? (Yes**/No)	To be answered during project progress
Have there been changes in approval or permitting timeframes? (Yes**/No)	To be answered during project progress
Indicator - Project Service Area	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
Housing Units Passed	278
Other Units Passed	13
TOTAL Units Passed	291
ENTIRE Census Blocks Passed***	44
Indicator - Customer Connections	# Proposed for Project (Column Will Not Change Without GDA Amendment)
(If Known) Average Revenue Per User (ARPU) per Unit Connected (\$)	N/A
(If Known) Average Bandwidth Delivered per Month per Connected Unit (Mbps)	N/A
Indicator - Network Infrastructure Deployed	Total # Proposed for Project (Column Will Not Change Without GDA Amendment)
New Network Miles Deployed	65
Existing Network Miles Upgraded	0
Number of Miles of New Fiber	80
Number of Towers Connected	0
Number of New Interconnection Points	0
Number of Wireless Hotspots	0
Indicator - Project Expenditures	Proposed for Project \$
MWBE expenditures	\$278,172.96
Eligible Project Expenditures (\$) Made	\$2,318,108
Private Match (\$)	\$579,527

Speed Tiers & Pricing	Max Download Speed Offered
Residential	75M/15M, 150M/25M, 200M/50M
Business	100M/15M, 250M/50M
Network Construction Completion Date:	December 31, 2019
Customer Installations Completion Date:	December 31, 2021
*If project is not on time or on budget, Grantee will be asked to upload documentation explaining reason for delay/issue	
**If yes, please explain and provide any necessary documentation	
***Grantee must pass all Units in a Census Block, except as authorized by the ESD Broadband Program Office to pass a Block in part	

Table B: Project Footprint

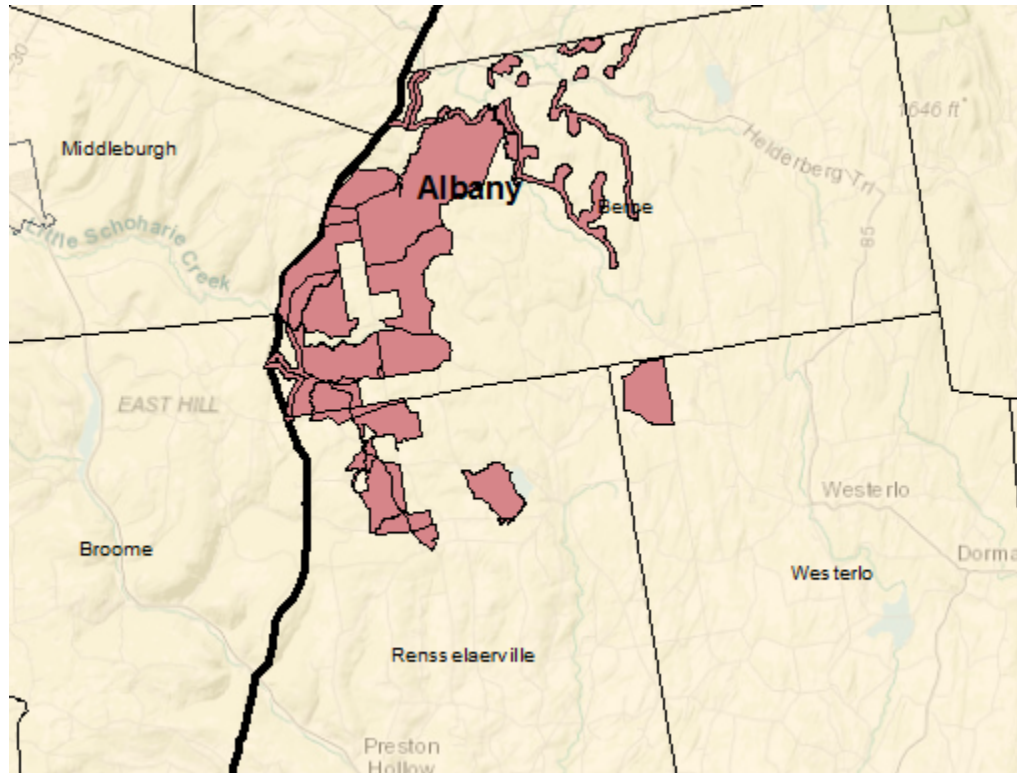


Table C: Project Milestones

Project Milestones			
<p>The following table lists the major network build-out phase and milestones that can demonstrate the entire project will be substantially completed by December 31, 2019. The table considers project areas such as a) network design b) securing all relevant licenses and agreements c) site preparation d) inside plant deployment e) outside plant deployment f) deployment of business and operational support systems g) network testing h) network operational</p>			
<p>Project Start Date_____ Projected Completion Date_____ Projected # of Milestone Reports_____</p>			
Time Period	Quarter	Milestones	Support for Reasonableness/Data Points
2018	Q2	<p>PROJECT START DATE: MARCH 29, 2018</p> <p>Begin/Start</p> <ul style="list-style-type: none"> • Environmental/Permitting – Environmental, SHPO, Regulatory and Town for new POP Building • Environmental/Permitting – Permits • Environmental/Permitting – Make Ready & Easements • Engineering – Field verification and Final Design <p>Complete/Finish</p> <ul style="list-style-type: none"> • Engineering – Field verification • Environmental/Permitting – Permits completed • Environmental/Permitting – Make Ready & Easements 	<ul style="list-style-type: none"> • Begin process of obtaining approvals for these requirements, and locating site for new POP building • Begin process of permit application and approval • Begin process of necessary make ready and easement approvals • Verify design and field locations • Complete field verification work for final design • Final approval of Permits received • Make Ready applications and Easements finalized

2019	Q3	<p>Begin/Start</p> <ul style="list-style-type: none"> • Engineering – OSP Product & Services (P&S) Contracts • Engineering – FTTx Fiber Frame (P&S) Contracts • Engineering – Site Surveys • Engineering – FTTx Equipment (P&S) Contracts • Construction – Fiber Material Delivery begins • Construction – OSP Material Delivery begins • Construction – FTTx Fiber Frame & Material Delivery begin <p>Complete/Finish</p> <ul style="list-style-type: none"> • Engineering – Final Design • Engineering – OSP Product & Services (P&S) Contracts • Engineering – FTTx Fiber Frame (P&S) Contracts done • Engineering – Site Surveys completed • Environmental/Permitting – Environmental, SHPO, Regulatory – completed and received 	<ul style="list-style-type: none"> • Begin work on the necessary OSP bids and contracts • Begin work on the necessary FTTx bids and contracts • Begin necessary work to complete site surveys • Begin work on the necessary equipment bids/contracts • Early delivery of fiber cable for early builds • Early delivery of OSP material for early builds • Early delivery of FTTx Fiber Frame material <ul style="list-style-type: none"> • Complete final engineering design for quote, and POP location • Contracts completed and material on order • Contracts completed and material on order • Surveys completed and finalized • Final approval of Environmental applications
	Q4	<p>Begin/Start</p> <ul style="list-style-type: none"> • Construction – FTTx Equipment delivery begins • Construction - OSP Construction begins • Construction - FTTx Fiber Frame Installation begins • Construction - FTTx Equipment Installation (CO) begins <p>Complete/Finish</p> <ul style="list-style-type: none"> • Engineering – FTTx Equipment (P&S) Contracts done 	<ul style="list-style-type: none"> • Begin receiving equipment for installation • Construction begins in early Q4 • Begin receiving material for installation • Begin receiving equipment for installation <ul style="list-style-type: none"> • Contracts completed and equipment ordered
	Q1	<p>Complete/Finish</p> <ul style="list-style-type: none"> • Construction - FTTx Fiber Frame & Material delivery • Construction – FTTx Equipment delivery done 	<ul style="list-style-type: none"> • Final delivery of Fiber Frame and Material received • Final delivery of FTTx equipment received

	Q2	Complete/Finish <ul style="list-style-type: none"> • Construction – Fiber Material Delivery completed • Construction – OSP Material Delivery completed • Construction - FTTx Fiber Frame Installation completed • Construction - FTTx Equipment Installation (CO) completed • Construction - FTTx Subscriber conversions begins • Construction - FTTx Fiber Frame Contract closeouts 	<ul style="list-style-type: none"> • Fiber material shipments are completed • OSP material shipments are completed • Fiber Frame installation is completed • FTTx equipment installation is completed • Subscriber service installations begin • Begin Contract closeouts
	Q3	Begin/Start <ul style="list-style-type: none"> • Construction - OSP Contract Closeouts • Construction - FTTx Electronic Equipment Closeouts 	<ul style="list-style-type: none"> • Starting to close out contracts on OSP work • Starting to close out contracts on electronic equipment
	Q4	Complete/Finish <ul style="list-style-type: none"> • Construction - OSP Construction completed • Construction - OSP Contract Closeouts completed • Construction - FTTx Subscriber conversions (Ongoing) 	<ul style="list-style-type: none"> • Final construction completed • Contracts finalized and closed out • Home/Business installations ongoing

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Statewide – Restore New York Communities – Capital Grant

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

General Project Plan

I. Project Summary

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	City of Oswego	City of Oswego - Oswego Harbor Revitalization RESTORE II	W044	\$1,500,000	Oswego	Oswego County
B	City of Middletown	City of Middletown - Middletown Community Campus RESTORE IV	AB761	\$500,000	Middletown	Orange County
C	City of Lockport	City of Lockport- Tuscarora Club RESTORE IV	AB811	\$500,000	Lockport	Niagara County
D	Village of Holley	Village of Holley – Holley Gardens RESTORE V	131,751	\$1,000,000	Murray	Orleans County
	Total RESTORE NY – 4 Projects	TOTAL		\$3,500,000		

II. Program Description

A. Background

The purpose of the Restore New York Communities Initiative (“Restore NY” or the “Program”) is to revitalize urban areas and stabilize neighborhoods as a means to attract residents and businesses. Restore NY funds municipally sponsored projects for the demolition, deconstruction, rehabilitation, or reconstruction of vacant, obsolete or surplus structures. Since 2006, ESD has received \$300 million in appropriations for Restore New York to fund three rounds of projects. The appropriations were allocated as follows: up to \$50 million in FY 2006-2007; \$100 million in FY 2007-2008; and \$150 million in FY 2008-2009.

In the FY 2015-2016, \$25 million was appropriated in the New York State budget for Round IV of Restore NY. In addition, \$25 million of unused funds from previous Restore NY appropriations were also allocated to Round IV for a total of \$50M. On June 20th, 2016, applicants were informed of eligibility to apply under the Program, and in January 26, 2017, awardees were announced. Following the issuance of an RFP in June 2016, a total of 75 municipalities were selected in January 2017 for funding assistance under Round IV.

In the FY 2016-2017, \$8 million was appropriated for Round V of the Restore NY program. The application process was opened on August 17, 2017, and awardees were announced on March 26, 2018. A total of 71 municipalities were awarded funding under Round 5. It is anticipated that upon completion the projects funded by New York State will attract individuals, families, industry, and commercial enterprises to the municipalities.

B. The Project

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

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

III. Statutory Basis

Restore New York Communities Findings:
Land Use Improvement Project

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

2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
See attached Project Schedule.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
See attached Project Schedule.
4. There are no families or individuals displaced from the Project area.
No residential relocation is required because there are no families or individuals residing on the site.

IV. Environmental Review

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

V. Non-Discrimination and Contractor & Supplier Diversity

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

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

VI. ESD Employment Enforcement Policy

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

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

The provision of ESD financial assistance is contingent upon the availability of funds and the

approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Summaries

August 16, 2018

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

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

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

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

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

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

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

Restore New York Communities Initiative Program – Project Summary Table

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A	City of Oswego	City of Oswego - Oswego Harbor Revitalization RESTORE II	W044	\$1,500,000	Oswego	Oswego County
B	City of Middletown	City of Middletown - Middletown Community Campus RESTORE IV	AB761	\$500,000	Middletown	Orange County
C	City of Lockport	City of Lockport- Tuscarora Club RESTORE IV	AB811	\$500,000	Lockport	Niagara County
D	Village of Holley	Village of Holley – Holley Gardens RESTORE V	131,751	\$1,000,000	Murray	Orleans County
	Total RESTORE NY – 4 Projects	TOTAL		\$3,500,000		

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

* * *

A. City of Oswego - Oswego Harbor Revitalization RESTORE II (W044)

August 16, 2018

General Project Plan

- Grantee:** City of Oswego (“Oswego” or the “City”)
- ESD Investment:** A grant of up to \$1,500,000 to be used for a portion of the cost of waterfront revitalization at the former Flexo Wire Site, to create a mixed-use, commercial and residential complex
- Project Location:** 68 West 1st Street, Oswego, Oswego County
- Proposed Project:** Neighborhood revitalization, involving construction and rehabilitation
- Project Type:** The revitalization of a waterfront for increased economic development
- Regional Council:** The Central New York Regional Council has been made aware of this item. The project is consistent with the Regional Plan to revitalize downtowns within the region.
- Background:**

Grantee History – The City of Oswego is located on Lake Ontario in north-central New York and is known as the "The Port City of Central New York". Oswego boasts a heritage that stretches back beyond written history. Native Americans resided in the area for several thousand years, possibly as long ago as 7,000 B.C., following the retreat of the last glacier. The Iroquois migrated to the area from the Mississippi River region in the 13th and 14th centuries. It is from this proud and legendary Native American civilization that Oswego received its name: Os-we-go, which means a pouring out place.

In 1722, the British and Dutch established a settlement at Oswego to facilitate fur trade with the Native Americans. During the French and Indian War era, five local forts were built to protect the British supply route from Albany to Oswego. Three of these (Forts George, Oswego, and Ontario) were located within the present city limits.

Oswego is also home to the Port of Oswego and once was a major railroad hub for several major railroads: the New York Central Railroad, the Delaware, Lackawanna and Western Railroad, and the New York, Ontario and Western Railway. Both railways operated a coal trestle for fueling steamships at the Port of Oswego. Former New York, Delaware and Lackawanna passenger stations remain, as does a New York freight station. Nothing remains of the Ontario and Western railway, which was abandoned in its entirety in 1957.

City of Oswego’s 2020 Strategic Plan was implemented in January 2011. The City of Oswego 2020 Strategic Plan includes a priority to “identify, remediate and redevelop brownfield and underutilizes properties to expand the tax base and to promote job creation and housing.” As part of this plan, infill development was identified by the City

City of Oswego - Oswego Harbor Revitalization RESTORE II (W044)

August 16, 2018

of Oswego as a priority opportunity. In addition, a goal of the 2020 Strategic Plan was to “Expand current range of housing options while working to improve the overall property values in the area. As a mixed-income development, Harbor View Square expands several ranges of rental housing within the City of Oswego.

The Oswego Waterfront Master Plan from June 2017 identifies the proposed Harbor View Square as “The exciting new developments currently underway in the Riverfront District on the Flexowire site will energize a district that will soon have a narrower, more pedestrian oriented West First Street that still accommodate Port District traffic.” A primary goal of the water front plan is to “Link the Waterfront to Downtown” as this project is designed to enhance this objective.

Size - As of 2010, the census of 2010, there were 18,142 residents and 3,896 families residing in the 8,258 housing units in the City.

ESD Involvement – In February 2008, ESD awarded the city a \$2,500,000 grant from Round 2 of the Restore New York program to assist with two phases of a revitalization project on the City’s waterfront and harbor. On August 16, 2010, ESD’ Board of Directors approved \$1 million of the grant to complete the construction of a 36,000 square-foot expansion of the existing Best Western ‘Captain’s Quarters’ Hotel in downtown Oswego. This project was completed in August 2013, and \$1 million in funding was disbursed to the City for that phase.

The remaining \$1.5 million on the grant was allocated to create a mixed –use development at the Flexo Wire Site, a location which once housed a dilapidated, copper wire factory. In 2016, the City issued an RFP to solicit developers for the project. The City selected Housing Visions based on their proposed concept for the site which will be known as the “Harbor View Square Development,” a mixed-use, mixed-income project that recently received the final part of its financing from New York State’s Department of Homes & Community Renewal. ESD’s grant will offset a funding gap making the project feasible.

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

City of Oswego - Oswego Harbor Revitalization RESTORE II (W044)

August 16, 2018

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Upstate Regional Blueprint Fund	Z041	\$466,000	July 30, 2014	February 3, 2016	Capital - Construct and equip St. Francis Common, a new 60-bed adult home and assisted living program

The Project:

Completion – April 2020

Activity - The Harbor View Square project will transform the former Flexo Wire site into a unique, mixed-use development with 75 rental units of modern, high-quality urban living spaces and 10,000 square-feet of retail/commercial space.

The total site area measures approximately 2.3 acres and a total of four buildings will be constructed. The site will consist of 4 newly constructed buildings. The largest building will be approximately 58,000 square-feet, consisting of 75 units of rental housing comprising of 45,653 square-feet and 10,000 square-feet of commercial space on the first floor. Additionally, the remaining square footage is comprised of resident lounge with full kitchen, media center, conference room, storage rooms, manager's office, lobby and vestibule. This building will have a rooftop terrace with views of Lake Ontario and balconies. The remaining 3 buildings are townhouse style with a total square footage of 29,302. All the units will have washers & dryers as an additional amenity.

In September 2016, the City submitted a Brownfield Cleanup Program Application to the NYS Department of Environmental Conservation. The application was approved and the City executed the Brownfield Cleanup Agreement in December 2016.

Results – Potential tenants such as, Cam'e Pizzeria, CupCakers, Canal Commons Baking Co., and JP Jewelers, have all expressed interest in operating their businesses in the completed commercial space. The residential units are made up of 1, 2 and 3 bedrooms units. Potential tenants may be single individuals, or families with a wide range of occupations. The City plans to advertise in a variety of avenues, including newspapers, and online publications about the new development. Advertising for the units will likely occur 3-4 months prior to completion of construction.

Harbor View Square development reduces blight in Oswego, connects the downtown

City of Oswego - Oswego Harbor Revitalization RESTORE II (W044)

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with the waterfront and introduces new housing choices and residents. Harbor View will be a transformative development that sparks additional progress and revitalization in Oswego as it relates to downtown and the waterfront.

Financing Uses	Amount	Financing Sources	Amount	Percent
Land Acquisition	\$150,000	ESD Grant	\$1,500,000	6%
Construction, Rehabilitation	19,452,148	City Equity	740,000	3%
Soft Costs	5,751,301	NYC Homes and Community Renewal - Grant	9,900,000	38%
Reserves	512,814	Leviticus Fund - Loan*	465,501	2%
		Grantee Equity	8,631,320	33%
		Brownfield Tax Credits	4,629,442	18%
Total Project Costs	\$25,866,263	Total Project Financing	\$25,866,263	100%

*30 years, 6% fixed interest rate

Grantee Contact- Justin Rudgick, Director, City Office of Economic Development
 44 East Bridge Street
 Oswego, New York 13126
 Phone: (315)343-3795
 E-mail: jrudgick@oswegony.org

Project Team- Project Management Simone Bethune
 Contractor & Supplier Diversity Edwina Telemaque
 Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Village/Town/City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The City will contribute at least a 10% match of the grant amount to the Project.
4. Up to \$1,500,000 will be disbursed to Grantee in a lump sum, and in proportion to ESD's funding share, upon documentation of construction, soft costs and land acquisition project costs totaling \$25,866,263, and upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such

City of Oswego - Oswego Harbor Revitalization RESTORE II (W044)

August 16, 2018

other documentation as ESD may reasonably require. Expenses must be incurred on or after January 15, 2008. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental:

The City of Oswego 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on September 17, 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.

Non-Discrimination and Contract & 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 10%, Minority Business Enterprise ("MBE") Participation goal of 7% and a Women Business Enterprise ("WBE") Participation goal of 3% related to the total value of ESD's funding.

Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.
The project involves the rehabilitation and reconstruction of an vacant site, which has been deemed by the City to arrest sound growth and development in the area.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
The project involves the rehabilitation and reconstruction of a site that the City has

City of Oswego - Oswego Harbor Revitalization RESTORE II (W044)

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included in its overall master development plan that overlaps with other plans that include downtown and waterfront that serve to improve the vitality of the City. The City of Oswego 2020 Strategic Plan includes a priority to “identify, remediate and redevelop brownfield and underutilizes properties to expand the tax base and to promote job creation and housing.”

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
The City published a property assessment list and held a public hearing on the project at the time of application. The City will ensure compliance with all applicable local laws and regulations.
4. The requirements of Section 10(g) of the Act are satisfied.
There are no families or individuals displaced from the Project area.

Attachment: Resolution

August 16, 2018

Oswego (Central New York Region – Oswego County) – Restore NY Comm 07-08
Neighborhood Revitalization – Determination of No Significant Effect on the
Environment

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

* * *

B. City of Middletown - Middletown Community Campus RESTORE IV (AB761)

August 16, 2018

General Project Plan

- Grantee:** City of Middletown (“Middletown” the “City”)
- ESD Investment:** A grant of up to \$500,000 to be used for a portion of the cost of demolition and hazardous material removal
- Project Location:** 31-34 Bolles Avenue, Middletown, Orange County
- Proposed Project:** Demolition and removal of hazardous material and rubble located at the Middletown Community Campus (“MCC”)
- Project Type:** Neighborhood revitalization
- Regional Council:** The Mid-Hudson Regional Council has been made aware of this item. The project is consistent with the Regional Plan to foster housing investment to attract jobs to the region, create construction jobs, and support the overall health of the regional economy through a vibrant housing market.
- Background:**

Grantee History – The City of Middletown was incorporated in 1888, and is governed by a mayor and a nine member city council known as the Common Council. The current population of the City is 28,086 according to the 2010 Census. Like many small cities in the northeast, the City’s economy suffered significantly in the second half of the 20th Century due to the loss of manufacturing jobs and suburbanization.

The City’s turnaround began in the 1990s, with strong leadership and partnerships between government, nonprofits, and educational and healthcare institutions. Although the City is in the midst of a renaissance, work remains to be done, including the revitalization of the former State Psychiatric Hospital; the closure of which left many unemployed and drew blight and vandalism to the area.

ESD Involvement – The Middletown Community Campus was formerly the location of the State Psychiatric Hospital. Following the closure of the hospital, due to a fire, the surrounding structures were abandoned and became a target for vandalism. The fire left the buildings at 31-34 Bolles Avenue unsalvageable. The property was abandoned by the former owners, leaving the City in ownership of a pile of hazardous material and rubble.

Due to the high cost of debris removal and demolition at the site, The City applied for Restore NY funds under Round 4 of the program in October 2016, and was awarded \$500,000 in assistance in February 2017. The grant will further the City’s on-going strategy to build and sustain healthy neighborhoods by leveraging a variety of public

City of Middletown - Middletown Community Campus RESTORE IV (AB761)

August 16, 2018

and private resources.

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

The Project:

Completion – November 2018

Activity – The City will complete the removal of two major structures, totaling 88,175-square-feet, on the project site. The site is on a prominent hill in a centralized location at MCC and the resultant emergency work to knock down the remaining wall has left a large rubble pile which is a significant brownfield in a highly visible are of the Campus. The City will complete demolition work and mitigate asbestos and lead contamination on site.

Results – The project will encourage revitalization of Downtown Middletown, encourage commercial investment, and encourage improvements to be made to the local housing stock. The revitalization of Downtown Middletown and MCC, removal of blight, redevelopment of abandoned buildings, and encouragement of the industrial and commercial sectors in the local economy will have a spillover effect into the City's local housing stock.

Financing Uses	Amount	Financing Sources	Amount	Percent
Demolition & Environmental Cleanup	\$1,367,500	ESD Grant	\$500,000	36%
Soft Costs	32,500	City Equity	900,000	64%
Total Project Costs	\$1,400,000	Total Project Financing	\$1,400,000	100%

Grantee Contact- Jacob Tawil, Commissioner of Public Works
16 James Street
Middletown, NY 10940
Phone: (845) 343-3169
E-mail: jtawil@middletown-ny.com

Project Team- Project Management Arturo Rodriguez
Contractor & Supplier Diversity Edwina Telemaque
Environmental Soo Kang

City of Middletown - Middletown Community Campus RESTORE IV (AB761)

August 16, 2018

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The City will contribute at least a 10% match of the grant amount to the Project.
4. Up to \$500,000 will be disbursed to Grantee, no more frequently than quarterly, in proportion to ESD's funding share, and in compliance with ESD's Design and Construction requirements, assuming that all project approvals have been completed and funds are available. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction, total expenditures of \$1,400,000 have been documented and project is complete as evidenced by a certificate of completion, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after October 3, 2016 to be considered reimbursable project costs.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental:

The City of Middletown Common Council, as lead agency, has completed an environmental review of the demolition project pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on January 16, 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.

No specific project plan, proposal for redevelopment, or change in the type or intensity of use of the site is currently proposed. At such time as any future development plan is proposed, it will be subject environmental review under SEQRA prior to implementation.

City of Middletown - Middletown Community Campus RESTORE IV (AB761)

August 16, 2018

Due to the site's location within the Middletown Psychiatric Center complex, which is eligible for inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law ("Section 14.09"). The project is in compliance with Section 14.09.

Non-Discrimination and Contract & Supplier Diversity:

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

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

Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings

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

The project involves the demolition and environmental remediation of condemned commercial building(s), which has been deemed by the City to arrest sound growth and development in the area.

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

The project involves the demolition and environmental remediation of a site that the City has included in its overall master development plan. The revitalization of Downtown Middletown and MCC, removal of blight, redevelopment of abandoned buildings, and encouragement of the industrial and commercial sectors in the local economy will have a spillover effect into the City's local housing stock.

City of Middletown - Middletown Community Campus RESTORE IV (AB761)

August 16, 2018

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
The City published a property assessment list and held a public hearing on the project at the time of application. The City will ensure compliance with all applicable local laws and regulations.
4. The requirements of Section 10(g) of the Act are satisfied.
There are no families or individuals displaced from the Project area.

Attachment: Resolution

August 16, 2018

Middletown (Southern Tier Region – Orange County County) – Middletown Community Campus RESTORE IV – Restore NY Comm 16-17 – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material presented to me with respect to the Middletown Community Campus RESTORE IV Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

C. City of Lockport- Tuscarora Club RESTORE IV (AB811)

August 16, 2018

General Project Plan

- Grantee:** City of Lockport (“Lockport” or the “City”)
- Beneficiary Company:** The Greater Lockport Development Corporation (“GLDC”)
- ESD Investment:** A grant of up to \$500,000 to be used for a portion of renovation of 18,000-square-feet of the Tuscarora Club and demolition of 1,800-square-feet of a residential building.
- Project Locations:** 128 Walnut Street, Lockport, Niagara County
28 South Street, Lockport, Niagara County
- Proposed Project:** Restoration and rehabilitation of the Tuscarora Club to create an opportunity for a new, mixed-use development in the downtown Lockport district
- Project Type:** The rehabilitation and demolition of properties to revitalize a neighborhood as part of the City’s master plan
- Regional Council:** The Western New York Regional Council has been made aware of this item. The project is consistent with the Regional Plan as it rehabilitates and preserves a historic building; increases tourism; creates a potential for residential units to be developed as the downtown district suffers from lack of residential units, and contains no hotel.

Background:

Grantee History – Lockport is one of three cities in Niagara County and the seat of County government. Lockport became a major industrial center and served as an important gateway by providing a west-bound waterway passage to Buffalo and the Great Lakes, and an east-bound waterway passage to Albany, the Hudson River and the Port of New York. The Erie Canal runs through the City and had reached Lockport in 1824 when the Town of Lockport was established. Lockport has experienced significant changes over the last several decades, including the decline of thousands of manufacturing jobs.

During the 1960's and 70's, Lockport took advantage of the Federal Urban Renewal Program (the “Program”), which in turn dramatically affected the City's skyline and central business district. As Urban Renewal moved in, the Program took on the task of acquiring, demolishing, and redeveloping portions of its central business district due to significant loss of industry and manufacturing, and thusly, jobs and population. Preserving and restoring what remains of Lockport's historic building stock is central to the City’s

City of Lockport- Tuscarora Club RESTORE IV (AB811)

August 16, 2018

objectives.

The Tuscarora Club (the "Club") is located in the center of Lockport's established downtown, one block south of Main Street, and within walking distance from the Erie Canal, the Flight of Five Locks, and other key Lockport properties including Harrison Place, which employs more than 250 people. There are a number of vacant or underutilized properties in downtown Lockport that are identified in the City's Comprehensive Plan, and Local Waterfront Revitalization Program ("LWRP"). Most recently, the designated Brownfield Opportunity Area ("BOA"), (titled Lockport's Tourism Focus Area) and Downtown Lockport Revitalization Initiative specifically cites the Tuscarora Club as one of these key properties to be targeted for redevelopment.

Beneficiary History – The Greater Lockport Development Corporation is a not-for-profit that operates within the City of Lockport to aid the City's Economic Development Program. It seeks to encourage the development and retention of business and industry and to increase job opportunities. The GLDC has redeveloped four existing buildings along the City's historic Canal Street and has overseen the restoration of the Flight of Five through its subsidiary the Locks Heritage District.

ESD Involvement – Restore NY Funding is crucial to getting the property "market ready" for private investment. While interest in the property continues to grow, four prominent local developers, all of which have other investments in Lockport have passed on the property due to renovation cost concerns. ESD has funded several projects in Lockport's Economic Development Program through Regional Council Capital Funding and Restore NY. As one of Lockport's most valued vacant properties with development potential, the GLDC is firmly committed to the redevelopment of the Tuscarora Club, which was evident by their initial willingness to purchase of the property, and their continued financial investment. Without ESD assistance, there would be a financing gap and the project may never reach a point where investors want to take on the high costs of renovating it.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund	Z703	\$1,315,493	May 19, 2016	December 31, 2018	Capital – Restoration of Lock 68, mitered gate, and installation of arched bridge

City of Lockport- Tuscarora Club RESTORE IV (AB811)

August 16, 2018

The Project:

Completion – February 2019

Activity – The City will oversee a restoration and rehabilitation of the Tuscarora Club to create an opportunity for developers to create a new, mixed-use development in the downtown Lockport district. The project will involve renovating the Tuscarora Club and adding 10, market-rate, upper level apartments to the Tuscarora Club. The specific work components include: Asbestos and mold abatement; Demolition of a blighted adjacent house on the property to create much needed additional parking; Replacing retaining wall and sidewalk, front porch including stairs, and railing to make handicap accessible, exterior wall pointing, parapet wall repair and landscaping; window replacement; roof repair and; sprinkler installation, and additional work to make building code compliant.

Results – This project will serve to stabilize the neighborhood and attract new residents. It will also be a mixed-use development by reestablishing a restaurant and/or catering business on the first floor and the removal of the blighted residential building will result in additional parking for the Tuscarora Club. The rehabilitation of this property will also encourage improvements in adjacent properties as well. Restore NY funds are critical to the success of this project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$470,437	ESD Grant	\$500,000	90%
Demolition	39,563	Grantee Equity	50,000	10%
Architectural/Engineering/ Soft Costs	40,000			
Total Project Costs	\$550,000	Total Project Financing	\$550,000	100%

Grantee Contact- The Honorable Anne McCaffrey, Mayor
1 Locks Plaza
City of Lockport, NY 14094
Phone: 716-439-6665
Email: amccaffrey@lockportny.gov

Beneficiary Contact- Brian Smith, Director of Planning and Development
1 Locks plaza
City of Lockport, NY 14094
Phone: 716-439-6688
E-mail: bsmith@lockportny.gov

City of Lockport- Tuscarora Club RESTORE IV (AB811)

August 16, 2018

<u>Project Team-</u>	Origination	Angela Rossi
	Project Management	Mike Halton
	Contractor & Supplier Diversity	Geraldine Ford
	Design & Construction	Dennis Conroy
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, Grantee will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$500,000 will be disbursed to Grantee during the course of the project no more frequently than quarterly, in compliance with ESD's Design and Construction requirements, and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction, and project is complete as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after October 3, 2016, to be considered reimbursable project costs.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Design and Construction:

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.

Environmental Review:

The City of Lockport, as lead agency, has completed an environmental review of the project

City of Lockport- Tuscarora Club RESTORE IV (AB811)

August 16, 2018

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 September 29, 2016. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

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

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.
The project is located in a blighted neighborhood and involves the demolition of a dilapidated residential home. The project also involves the rehabilitation of a vacant residential building, which has been deemed by the Grantee to arrest sound growth and development in the area.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
The project involves both the demolition and the rehabilitation of a site that the City has included in its overall master development plan to leverage underutilized properties and tourism assets for economic development in the downtown district.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

City of Lockport- Tuscarora Club RESTORE IV (AB811)

August 16, 2018

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

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

Attachment: Resolution

August 16, 2018

Lockport (Western New York Region - Niagara County) – Tuscarora Club RESTORE IV – Restore NY Comm. 16-17 (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) General Project Plan; Authorization to make a Grant and to Take Related Actions

RESOLVED, that based on the material submitted to the Directors with respect to the Lockport – Tuscarora Club RESTORE IV Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

D. Village of Holley – Holley Gardens RESTORE V (131,751)

August 16, 2018

General Project Plan

- Grantee:** Village of Holley (“Holley” or the “Village”)
- ESD Investment:** A grant of up to \$1,000,000 to be used for a portion of the cost to construct and renovate an historic structure
- Project Location:** 1 Wright Street, Murray, Orleans County
- Proposed Project:** The Village will restore and convert the 54,000 square-foot, former Holley High School building into a mixed-use, commercial and residential building
- Project Type:** The restoration and reuse of a historic structure for neighborhood revitalization
- Regional Council:** The Finger Lakes Regional Council has been made aware of this item. The project is consistent with the Regional Plan to support the revitalization of distressed neighborhoods.

Background:

Grantee History – The Village of Holley, incorporated in 1850, is in the eastern portion of Orleans County and was named for Myron Holley, a commissioner of the Erie Canal as growth and development of Holley was tied to the Erie Canal (the “Canal”). As of the 2010 census, the Village had 1,811 residents.

First settled by Europeans in 1812, the rich farmlands and canal construction attracted many. In 1822, Aerovester Hamlin had the land surveyed and laid out, with streets radiating from the central square that would be built by Hiram Frisbie and James Seymour. Fruit and vegetable crops were shipped on the Canal, and the community grew as Canal traffic expanded in the 1830s and 1840s. The Canal was re-routed to the north during the 1850s-1860s, with the southern loop traversing through the center of the Village, but local service continued well into the early 20th century. The quarry business boomed in the late 1800's and brought an influx of talented immigrants to the area. With the advent of the railroad the residents were afforded easier travel and the farmers experienced better shipping efficiency for their produce. In 1852, the Rochester, Lockport, and Niagara Falls Railroad Company laid tracks through Holley, which helped fuel the Village economy.

Today, the Holley Village Historic District, (the “District”) which is eligible for listing in the State and National Registers of Historic Places, encompasses the Village’s downtown core and surrounding neighborhoods. The historic downtown fabric consists of two and three-

Village of Holley – Holley Gardens RESTORE V (131,751)

August 16, 2018

story brick and masonry buildings dating primarily to the 19th century, with some later single-story buildings from the late 20th century. Surrounding the downtown are residential neighborhoods comprised of housing stock from the mid-19th Century to the early 20th Century. Following World War II, residents increasingly commuted to nearby Rochester, a trend which continues today.

ESD Involvement - The cost associated with repurposing the former school is significant, and would not be feasible without ESD assistance. The Village applied for Restore NY funds in December 2017, and funding was approved under Round 5 of the program in April of 2018. Restore V funding will further the Village's vision included in their Comprehensive Plan and Brownfield Opportunity Area Nomination Study by leveraging a variety of public and private resources.

Restore NY funds are critical to the success of this project, and will further the Village's plan to revitalize the downtown area by leveraging a variety of public and private resources.

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

The Project:

Completion – December 2019

Activity – The Holley Gardens project involves the restoration and conversion of the historic former Holley High School into a mixed-use, residential and commercial facility. Built in 1931, the 54,000 square-foot Neo-Classical Revival building is located within the Holley Village Historic District.

The Village's municipal offices will be relocated to the converted auditorium space, in the former High School, freeing up street front square footage in the historic Public Square for new business. The project will also create 41, new, affordable senior housing units with amenities to meet the needs of seniors such as elevators, fitness and community rooms, and updated, accessible office, administrative, meeting space for the community.

The proposed adaptive reuse project is consistent with the Village's vision as described in its Comprehensive Plan and Village Brownfield Opportunity Area Nomination Study. The Village plans identify the reuse and rehabilitation of the former Holley High School as a priority implementation project. Holley Gardens addresses a critical housing need for seniors in Orleans County, including those with disabilities, while spurring economic development by revitalizing a large, vacant, historic structure located in the heart of the Village.

In 2013, the Landmark Society of Western New York included the building as one of the "Five to Revive" historic properties. This designation includes historic structures whose

Village of Holley – Holley Gardens RESTORE V (131,751)

August 16, 2018

rehabilitation can become a catalytic project for the neighborhood and community that surrounds it.

Finally, the project involves a collaboration between the Village, Town of Murray, Orleans County, and the Orleans’s County IDA. Home Leasing, LLC and Edgemere Development, Inc. are the development team for the project. The developer intends to begin construction at the end of August of 2018 and to complete the project by the end of 2019.

Results – This project will restore the former high school, create a more accessible public facility, and increasing the commercial space available for businesses in the center of the Village. In addition, the project will address the need for additional senior housing in Orleans County.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction and Renovation	\$13,724,381	ESD Grant	\$1,000,000	6%
Architecture and Engineering	3,562,321	Grantee Equity	14,245,946	81%
Reserves	344,474	NYS Dept. of Homes and Community Renwal - Grant	1,544,230	9%
		Environmental Protection Fund - Grant	500,000	2%
		NYS Main Street Grant	300,000	2%
		New York State Energy Research Development Authority - Grant	41,000	0.20%
Total Project Costs	\$17,631,176	Total Project Financing	\$17,631,176	100%

**Source of equity is from the Developers (Home Leasing and Edgemere Development)*

Grantee Contact Brian Sorochty, Mayor
 72 Public Square
 Holley, NY 14470
 Phone: (585) 638-6367
 E-mail: BSorochty@villageofholley.org

Project Team- Project Management Saul Maneiro
 Contractor & Supplier Diversity Geraldine Ford
 Environmental Soo Kang

Village of Holley – Holley Gardens RESTORE V (131,751)

August 16, 2018

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Village will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Village will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Village will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$1,000,000 will be disbursed to Grantee in a lump sum, and in proportion to ESD's funding share, upon documentation of project costs totaling \$17,631,176 and upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 15, 2017.
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 Village and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental:

The Village of Holley Planning and Zoning 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 4, 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 inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law ("Section 14.09"). The project is in compliance with Section 14.09.

Village of Holley – Holley Gardens RESTORE V (131,751)

August 16, 2018

Non-Discrimination and Contract & Supplier Diversity:

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

Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.
The project involves the rehabilitation, or reconstruction of a vacant, abandoned, surplus, or condemned commercial and/or residential building(s), which has been deemed by the Village to arrest sound growth and development in the area.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
The project involves the rehabilitation or reconstruction of a site that the Village has included in its overall master development plan, which was adopted in 2010 and has been included in update planning done in 2017.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
The Village published a property assessment list and held a public hearing on the project at the time of application. The Village will ensure compliance with all applicable local laws and regulations.
4. The requirements of Section 10(g) of the Act are satisfied.
There are no families or individuals displaced from the Project area.

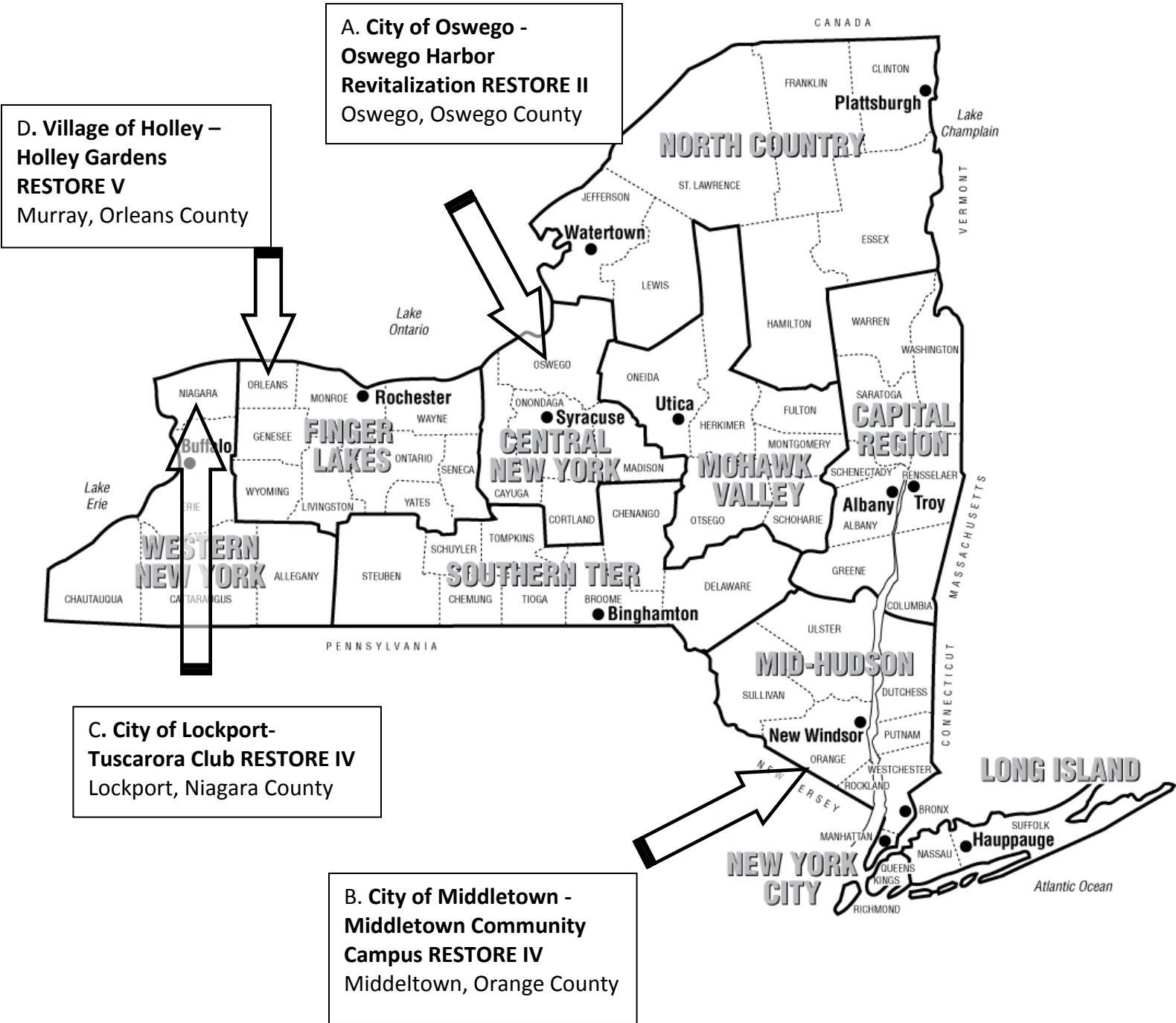
August 16, 2018

Murray (Finger Lakes Region - Orleans County) – Village of Holley – Holley Gardens RESTORE V (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that based on the material submitted to the Directors with respect to the Village of Holley – Holley Gardens RESTORE V Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Restore New York Communities Initiative Project Map



**A. City of Oswego -
Oswego Harbor
Revitalization RESTORE II**
Oswego, Oswego County

**D. Village of Holley –
Holley Gardens
RESTORE V**
Murray, Orleans County

**C. City of Lockport-
Tuscarora Club RESTORE IV**
Lockport, Niagara County

**B. City of Middletown -
Middletown Community
Campus RESTORE IV**
Middletown, Orange County

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Non-Discretionary Projects

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

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

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance (Senate)			
A	North Country Family Health Center Capital & Working Capital	131,909	North Country Family Health Center	\$300,000
	TOTAL NON-DISCRETIONARY PROJECT - 1		TOTAL	\$300,000

I. Statutory Basis

The project was sponsored by the Executive, Assembly or Senate, and was authorized or 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(s).

II. Environmental Review

Unless otherwise noted on a project summary, ESD* staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

III. Non-Discrimination and Contractor & Supplier Diversity

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

otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 30% related to the total value of ESD’s funding. This shall include a Minority Business Enterprise (“MBE”) Participation goal of 15% and a Women Business Enterprise (“WBE”) Participation goal of 15%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

IV. ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

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

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

VI. Additional Requirements

Pursuant to direction received from the New York State Office of the Attorney General (“OAG”), individual project summaries may be subject to comment and approval by the OAG.

Due diligence has been exercised by ESD staff in reviewing information and documentation received from grantees/borrowers and other sources, in preparation for bringing projects to the ESD Directors for approval. The due diligence process also involves coordination with a number of external constituents, including the OAG, and grantees/borrowers have provided ESD with the required Disclosure and Accountability Certifications.

Also, pursuant to s.2879-a of the Public Authorities Law, the Office of the State Comptroller (“OSC”) has notified the Corporation that it will review all grant disbursement agreements (“GDAs”) of more than one million dollars (\$1 million) that are supported with funds from the Community Projects Fund (“007”). Such GDAs, therefore, will not become valid and enforceable unless approved by the OSC. A clause providing for OSC review will be included in all GDAs that are subject to such approval.

VII. Additional Submissions to Directors

Resolutions
Project Summaries
New York State Map
Project Finance Memo

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

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

RESOLVED, that the Corporation is authorized to make a grant to the parties and for the amounts listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in these materials, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the applicable Projects included in these materials, copies of which Plans shall be maintained with the records of the Corporation; and be it further

RESOLVED, if applicable, that upon further written finding that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, staff is authorized to make a grant to the parties and for the amounts listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in these materials, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance (Senate)			
A	North Country Family Health Center Capital & Working Capital	131,909	North Country Family Health Center	\$300,000
			TOTAL	\$300,000

and be it further

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

* * *

A. North Country Family Health Center Capital & Working Capital (131,909)

August 16, 2018

General Project Plan

- Grantee:** North Country Family Health Center (“NCFHC” or “the Organization”)
- ESD Investment:** A grant of up to \$300,000 for purchase of dental equipment and staffing for dental health program
- Project Location:** 238 Arsenal Street, Watertown, Jefferson County
- Proposed Project:** Assistance to purchase dental equipment and staffing for dental health program
- Project Type:** Working Capital
- Regional Council:** The North Country Regional Economic Development Council has been made aware of this item. The project is consistent with the North Country Regional Economic Development Council Plan to support existing employers and to support the healthcare needs of the Watertown and Fort Drum Communities.

Background:

Industry - Healthcare and Community Services

Organization History – NCFHC was established in 1971 to address unmet primary care needs for low income children in the North Country region of New York State. The organization has grown in its 47 year history to provide a wide variety of integrated services which help to improve the health, wellness, and quality of life of all individuals in our community by providing accessible, high quality, affordable, patient-centered, and integrated health services. The organization became a Federally Qualified Health Center (“FQHC”) in 2012. As a FQHC, NCFHC expanded its mission to serve all ages of patients and ensures that all patients are seen regardless of ability to pay. NCFHC is the only FQHC in its service area and the only organization committed to breaking down barriers to care for its patients by providing a sliding fee scale based on income, transportation, insurance enrollment, and care coordination services.

Ownership – NCFHC is a not-for-profit organization.

ESD Involvement - A \$300,000 appropriation was included in the FY 2017-2018 New York State budget.

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

North Country Family Health Center Capital & Working Capital (131,909)

August 16, 2018

The Project:

Completion – December 2019

Activity – NCFHC operates as an administrative organization, managing multiple regional health care projects to maintain and improve the healthcare system for the soldiers and families of Fort Drum. The Organization provides equipment and staffing for dental health care services. This project will fund the purchase of dental equipment and staff to serve the community of Fort Drum.

Results – The project will provide dental healthcare services to soldiers and their families; the project is expected to expand and improve healthcare, and to stimulate the development of regional healthcare programs and services

No Benefit-Cost Analysis (“BCA”) is required since the project generates long term benefits not captured in the short-term period used for BCA and may not involve permanent jobs.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Medical Equipment	\$156,130	ESD Grant	\$300,000	89%
Staffing	\$181,037	Grantee Equity	\$37,167	11%
Total Project Costs	\$337,167	Total Project Financing	\$337,167	100%

Grantee Contact - Joey Marie Horton, Executive Director
238 Arsenal Street
Watertown NY 13601
Phone: (315) 782-2643

Project Team - Project Management John Vandelloo
Contractor & Supplier Diversity Danah Alexander
Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

North Country Family Health Center Capital & Working Capital (131,909)

August 16, 2018

3. Up to \$300,000 will be disbursed to Grantee, no more frequently than quarterly, upon documentation of eligible project costs for equipment and staffing, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2018, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Local Assistance:

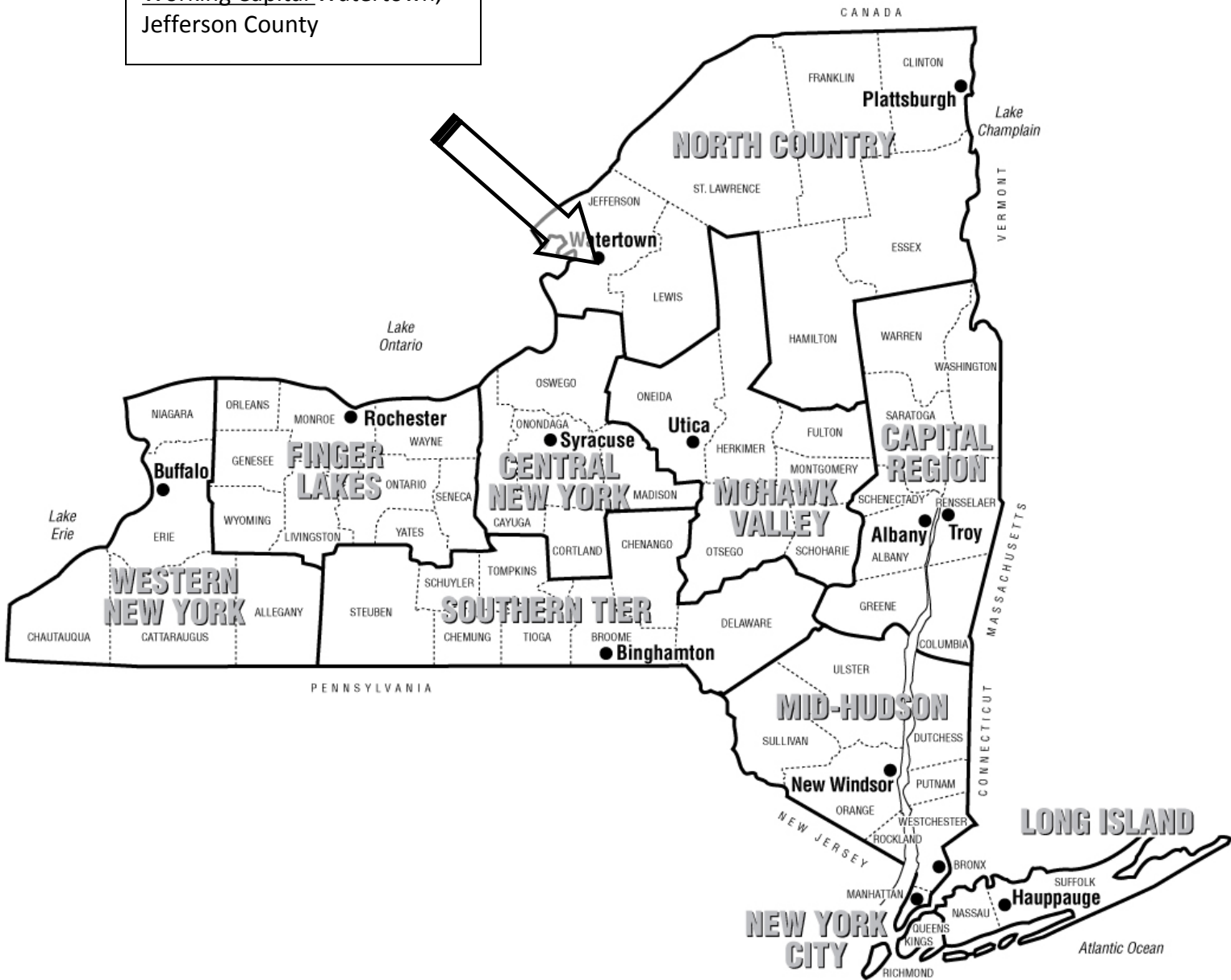
The project was authorized in the 2017-2018 New York State budget and reappropriated in the 2018-2019 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

Non-Discretionary Project Map

A. North Country Family Health Center Capital & Working Capital Watertown, Jefferson County



FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Hornell, NY (Southern Tier Region – Steuben County) – Hornell Medical Village – St. James Hospital Medical Office Building Fit Out (the “Project”)

REQUEST FOR: Findings and Determinations Pursuant to Sections 12 and 10(g) of the New York State Urban Development Corporation Act, as Amended (the “Act”); Authorization to Prioritize and Approve the Project, Adopt and Ratify Empire State New Market Corporation (“ESNMC”) Board Findings and General Project Plan; Determination of No Significant Effect on the Environment and Take Related Actions

I. New Markets Tax Credit (“NMTC”) Program Background and New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) Role

The NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The U.S. Department of the Treasury’s Community Development Financial Institutions Fund (the “CDFI Fund”) allocates NMTCs under a competitive application process. Investors who make qualified equity investments (“QEIs”) in community development entities (“CDEs”) reduce their federal income tax liability by claiming the NMTC. The tax credit value is 39% of the cost of the QEI and is claimed over a seven-year credit allowance period.

CDEs, such as ESNMC, apply to the CDFI Fund for an allocation of NMTCs. After an award of NMTC allocation, the CDE uses subsidiary CDEs to attract private equity investors who make QEIs in the subsidiary CDEs in order to claim the NMTCs. The subsidiary CDE then makes loans or equity investments in qualified businesses that are located in low-income communities. These loans and/or equity investments are made on better rates and terms than market. Through the NMTC program, \$54.0 billion in NMTCs have been awarded to CDEs across the country since inception.

ESNMC, a subsidiary of ESD, received its first allocation of NMTCs in 2009 in the amount of \$30 million. All of this initial allocation has been deployed in two NMTC projects. ESNMC received a second allocation in the amount of \$55 million in the 2015-2016 round of the NMTC program (the “Allocation”). ESNMC has used \$16.5 million of this recent Allocation in connection with the National Comedy Center and SUNY Broome transactions, which closed in

April 2017 and April 2018. The ESNMC board of directors (the “ESNMC Board”) has also authorized an additional \$8.5 million in Allocation for the Ellicott Station transaction.

Although the ESNMC Board approves projects for NMTC purposes, the New York State Urban Development Corporation Act (the “UDC Act”) requires the ESD board of directors to separately determine that any such projects would otherwise be approved by ESD and demonstrate one or more goals detailed below.

II. ESNMC Project Authorization

On August 8, 2018, the ESNMC Board adopted a General Project Plan for fit out and equipping of a medical office space for St. James Hospital in a new medical office building, located in a highly distressed area of Hornell, NY (the “Project”) and authorized the related sub-allocation of NMTCs:

<u>Amount</u>	<u>Project Sponsor</u>
Up to \$8,000,000	St. James Hospital (“SJH”)

The NMTC sub-allocation will be used for a portion of the costs of fit out, purchase of equipment and FF&E at the Project, as well as related transaction and administrative costs for the Project. The ESNMC Board also authorized the President of ESNMC or his designee(s), in the name of ESNMC, or as managing member of a subsidiary CDE, to negotiate, issue, execute and deliver any and all necessary transaction documents to close the Project.

III. Project Impact Summary

Completion: Estimated Q1 2019

Activity: This Project is a key component of creating the Hornell Medical Village to help transform rural healthcare delivery in and around Hornell, NY. Upon completion of the Project, SJH will lease and use approximately 19,000 SF in a new medical office building for:

- Relocation of the following current Article 28 extension clinics operated by SJH: Urgent (Express) Care, General Surgery Clinic, Orthopedic Clinic and remote lab draw station.
- Relocation of the following Article 28 program services from the main hospital campus location (411 Canisteo Street, Hornell NY): Physical Therapy, Cardiac Rehabilitation Services, and woman’s imaging services (mammography, bone density and ultrasound).
- Addition of the following new extension clinics: Primary Care Clinic, Specialty Clinic (ENT, GI, Cardiology and Neurosurgery).

Results: SJH is a struggling rural hospital that has affiliated with the University of Rochester Medical Center (“URMC”), which is executing a regional plan to

transform regional healthcare delivery in low-income rural areas. SJH has also received over \$60 million in NYS grants to build a hospital adjacent to the Project as part of creating the Hornell Medical Village (“HNV”).

HNV is the redevelopment of a 47-acre parcel of land. 36.5 acres are owned by SJH where it is constructing a new hospital financed by approximately \$63MM in NYS Department of Health grants. The remaining 10.5 acres of developed land, formerly a K-Mart shopping plaza that has been abandoned for years, has a one-story building that is being redeveloped by a private developer into a quality first class medical office building (“MOB”). The developer is financing the core and shell of the building privately.

SJH is collaborating with several other tenants to lease space in the MOB to provide quality medical services that are ancillary to the services it will provide in the hospital next door. ESNMC will provide its NMTC financing to help SJH pay for the fit out and equipping of the space SJH will lease in the MOB as described in this memo. The other tenants are paying to fit out and equip their spaces separately, which will total at least \$6MM and doesn’t include approximately 40,000 SF of space in the MOB that will include additional investment.

Features of the new hospital will include:

- Emergency Department with eight treatment rooms and four observation rooms
- Surgical Suite with two operating rooms, two procedures rooms, and 15 pre/post-surgery rooms - Phlebotomy and Lab
- Pharmacy
- Imaging Services including diagnostic radiology, ultrasound, CT, and MRI
- Infusion Services
- Cafeteria and Dining Room
- There will also be a gift and coffee shop and meeting rooms.

As part of its affiliation with URMC and creation of the HNV, it is working with other healthcare providers at HNV such as Oak Orchard Health Center to bring complementary services to this community within the MOB and the hospital. The services in new Medical Office Building provided by the different tenants will include:

- Primary Care Offices (pediatrics, family medicine, dental)
- Specialty Outpatient Clinics (i.e. general surgery, orthopedics)
- Express Care
- Physical Therapy
- Cardiac Rehabilitation
- Administration

This Project for SJH’s space within the MOB allows it to significantly expand the

healthcare services that it provides (see list of services under Activity above). Today SJH's facilities for these services allow for 22,918 annual visits. The Project is expected to allow SJH to nearly double site visits by 2020 to 40,610 annual patient visits.

Through this investment, SJH expects to create approximately 12 and retain 73 new (85 in total) local full-time equivalent ("FTE") jobs.

- 77 or 90.6% of the FTE jobs at the Project are expected to pay at or above the Living Wage in Hornell, NY per the MIT Living Wage Calculator. The remaining 8 employees pay very close to the Living Wage or at most \$0.38 / hr below the Living Wage.
- 46 or 54.1% of the jobs are expected to be available to low-income people or residents of low-income communities.
- SJH provides comprehensive benefits to employees who work at least 30 hours per week.

Detailed Project and Financing information can be found in the attached ESNMC Board materials.

IV. Statutory Basis and Findings

Section 45D of the Internal Revenue Code, Section 10(g) and Sections 12 and 16(2) of the UDC Act. As noted above, the NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The Project will comply with all applicable NMTC program requirements. ESD is required to approve the Project (as described herein and in the attached ESNMC Board materials) and ESNMC will comply with applicable federal tax laws and consummate the transaction.

New York State legislation requires ESD to select and prioritize projects demonstrating one or more of the following goals ("Goals"): (a) creating or retaining jobs in low income communities; (b) increasing the provision of goods and services for low income community residents which would otherwise not be available at the same price or quality; (c) supporting minority and women owned or controlled businesses; (d) expanding housing opportunities for low income community persons; (e) supporting environmentally sustainable outcomes; and (f) supporting efforts that otherwise benefit low income community residents by leveraging further investment in their communities. The Project has been selected as meeting the Goals outlined in (a), (b) and (f) based on the anticipated community impacts described in the Results section above.

In April 2011, the UDC Act was amended to assist ESNMC's participation in the NMTC program; in addition to setting the Goals noted above, the statute requires that projects "be limited to projects that would be authorized under this Act and shall be subject to approval by the Board of the Urban Development Corporation."

By adopting the ESNMC General Project Plan, finding the Project achieved one or more of the Goals and making all other required findings, including conducting a hearing and environmental review, this Project would be authorized by the UDC Act and, further, this Project is consistent with the Mission Statement of ESD.

V. Past ESD Support

The Project has not received past ESD support. However, SJH has received awards in the amount of \$55M from the Essential Health Care Provider Support Program and \$7.9M from the Statewide Health Care Facility Transformation Program that funds the new hospital construction at HMV and electronic medical record implementation.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises (MWBEs) and service disabled veteran owned businesses (SDVOBs) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed the Project and has determined that MWBE and SDVOB participation goals need not be applied to this Project.

VII. Environmental Review

The Town of Hornellsville Zoning Board of Appeals, as lead agency, has completed an environmental review of the proposed Project pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the Project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on March 29, 2017. ESD staff on behalf of ESNMC 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.

VIII. Requested Action

The Directors are requested to make findings and determinations to prioritize and approve the Project, adopt and ratify ESNMC Board findings and General Project Plan, make a Determination of No Significant Effect on the Environment and take related actions.

IX. Additional Submissions to Directors

Resolutions
New York State Map
ESNMC Directors’ Materials – Dated August 8, 2018

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Hornell (Southern Tier Region – Steuben County) – Hornell Medical Village – St. James Hospital Medical Office Building Fit Out (“Project”) – Findings and Determinations Pursuant to Sections 12 and 10(g) of the New York State Urban Development Corporation Act, as Amended (the “Act”); Authorization to Prioritize and Approve the Project, Adopt and Ratify Empire State New Market Corporation (“ESNMC”) Board Findings and General Project Plan; Determination of No Significant Effect on the Environment and Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, copies of which are hereby ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”), relating to the Project, the Corporation hereby selects and approves the Project, in accordance with the requirements of Section 12 and 10(g) of the Act, based on the proposed ESNMC General Project Plan (the “GPP”) for the Project submitted to this meeting, together with such changes therein as the ESNMC President or his designee(s) may deem appropriate, a copy of which GPP, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that, in accordance with Section 16(2) of the Act, 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 GPP, such GPP 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 approve the Project, including the allocation of \$8,000,000 of NMTCs, 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; and be it further

RESOLVED, that pursuant to Section 10(g) of the Act, that there are no families or individuals to be displaced from the Project area; and be it further

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

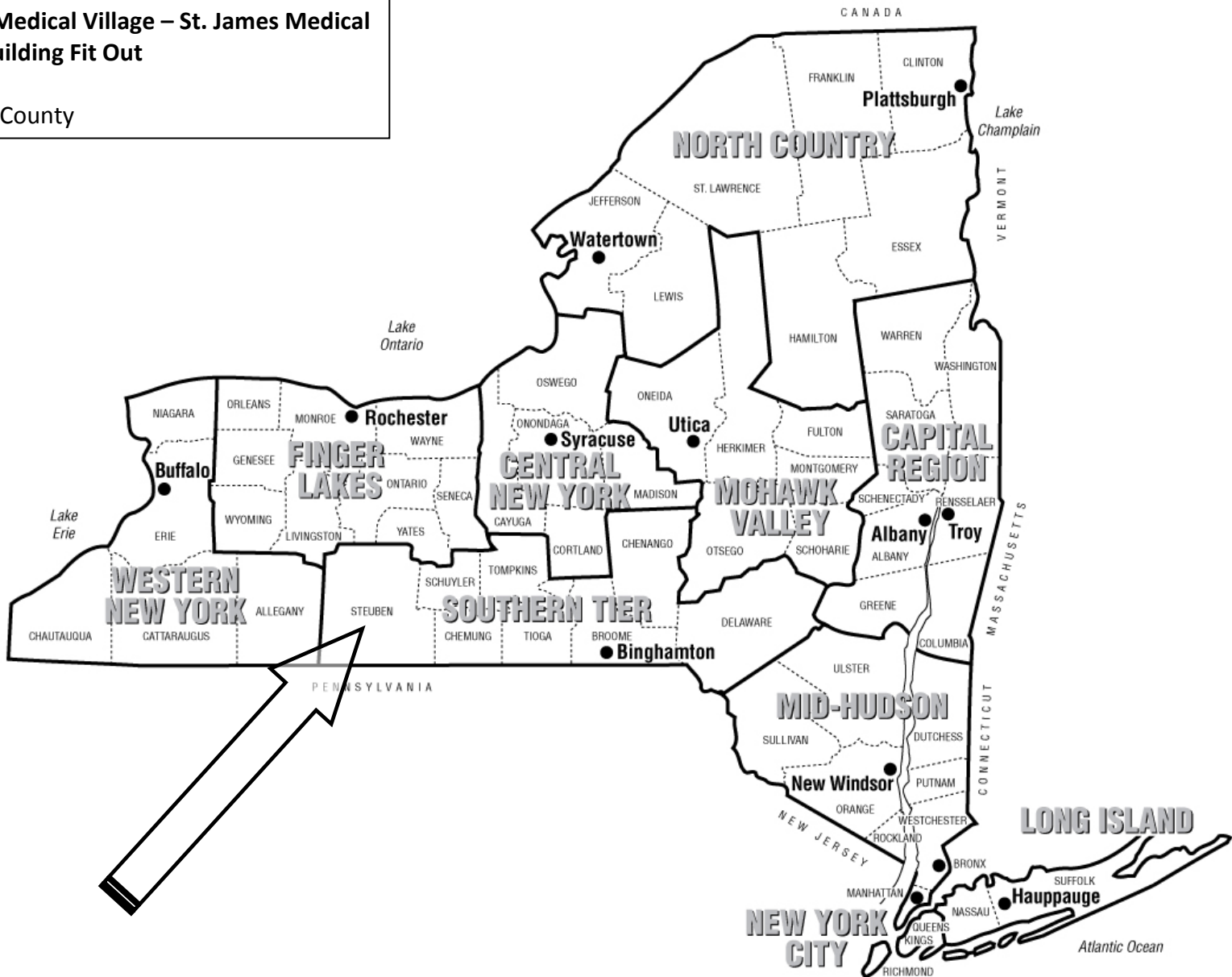
RESOLVED, that any actions previously taken by the Corporation in furtherance of the actions authorized herein are hereby ratified and approved.

RESOLVED, that based on the material submitted to the Corporation with respect to the

Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

**Hornell Medical Village – St. James Medical
Office Building Fit Out**
Hornell
Steuben County





FOR CONSIDERATION

August 8, 2018

TO: The Directors

FROM: Jonevan Hornsby

SUBJECT: Hornell, NY (Southern Tier Region – Steuben County) – Hornell Medical Village – St. James Hospital Medical Office Building Fit Out (the “Project”) - New Markets Tax Credit Sub-Allocation

REQUEST FOR: Authorization to Adopt the Proposed General Project Plan; Authorization to Sub-Allocate New Markets Tax Credits ("NMTCs") and to Take Related Actions; Authorization to Perform Certain Acts in Connection with the Sub-Allocation of NMTCs to ESNMC Subsidiary CDE VII, LLC (the "Subsidiary CDE") and the Closing of the NMTC Transaction and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Project Sponsor: St. James Hospital (“SJH” or the “Sponsor”).

Borrower: Hornell Medical Village, LLC (the “Borrower” or “QALICB”). The Borrower is an affiliate of SJH.

ESNMC* Request: Approval (1) to authorize an allocation of up to \$8,000,000 in federal NMTCs to be used for a portion of the cost to fit out and purchase equipment and FF&E for the Project, as well as pay related transaction and administrative costs for the Project, and (2) to delegate authority to the President of Empire State New Market Corporation (“ESNMC”) and his designee(s) to take any and all actions with respect to such allocation of NMTCs, the final terms of all transaction documents, and closing the transaction.

*ESNMC is a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”).

Project Location: 7100 Route 70A, Hornell, NY, Steuben County.

Proposed Project: The Project, located in a highly distressed area of Hornell, NY, involves the fit out and equipping of medical office space, in a portion of a medical office building (“MOB”) that St. James Hospital is leasing from a private developer. SJH’s leased space that ESNMC will finance includes approximately 19,000 SF for:

- Relocation of the following current Article 28 extension clinics operated by SJH: Urgent (Express) Care, General Surgery Clinic, Orthopedic Clinic, and a remote lab draw station.
- Relocation of the following Article 28 program services from the main hospital campus location (411 Canisteo Street, Hornell NY): Physical Therapy, Cardiac Rehabilitation Services, and woman’s imaging services (mammography, bone density and ultrasound).
- Addition of the following new extension clinics: a Primary Care Clinic and a Specialty Clinic (ENT, GI, Cardiology, and Neurosurgery).

The Project is an important component of the MOB which, in turn, is a component of the Hornell Medical Village (“HMV”) that involves the redevelopment of approximately 47-acres of land to create an integrated healthcare services delivery model for a rural low-income area in upstate NY. This integrated healthcare services delivery model is designed to meet all individual patient needs in one central location, thereby improving care coordination and reducing readmissions. Bringing primary care, specialty care, emergency medicine, and outpatient services together at one site increases convenience and efficiency, but more importantly directly supports staff and providers in caring for all individual patient needs and improving overall health outcomes.

HMV includes two key components. The first component is the construction of a new hospital by SJH and the second is the MOB where medical services that are complimentary to those of the hospital will be provided to this low-income rural community.

- SJH is building a new two-story 87,300 square foot hospital on approximately 36.5 acres of land. The hospital will primarily focus on outpatient care (e.g., emergency medicine, observation unit, diagnostics laboratory and imaging), outpatient surgery/procedures, and a 15-bed inpatient unit. SJH has received awards in the amount of \$55 million from the Essential Health Care Provider Support Program and \$7.9 million from the Statewide Health Care Facility Transformation Program to fund the new hospital construction and electronic medical record implementation.
- The MOB sits on the remaining approximately 10.5 acres of land. The existing building was previously used as a K-Mart shopping

plaza. The K-Mart shopping plaza has been abandoned for years. A private developer is redeveloping the site into an approximately 118,000 SF first-class medical office space where multiple medical tenants will provide medical services in one location to deliver comprehensive quality care to this rural low-income community. These medical services are complimentary to services that SJH will provide at the hospital. The developer has privately financed the redevelopment of the K-Mart shopping plaza and rehabilitation of the core and shell of the MOB to get it ready for fit-out by tenants.

In addition to SJH's space, the following leased spaces in the MOB will be built out and paid for separately by those tenants, totaling over \$6 million of additional investment:

- University of Rochester Medical Center will use approximately 16,400 SF to provide primary care services.
- Oak Orchard, a federally qualified health center (FQHC), will lease approximately 14,500 SF of space to provide pediatric, family medicine, and dental services.

Finally, the private developer is leasing approximately 40,000 SF of medical office space in the MOB to additional complementary medical service providers that are being identified. Either the developer or those service providers will pay for the fit out and equipping of this remaining space, which will represent additional investment in this low-income rural community.

Project Type/
Alignment with
Priorities:

The Project will allow St. James Hospital to provide primary care services and to catalyze additional development and investment in this low-income community. Catalytic development and investment is one of ESNMC's focus areas within the NMTC allocation application submitted to the CDFI Fund and the related Allocation received by ESNMC.

The Project is located in census tract #36101960600. For NMTC purposes, this census tract qualifies as a Low-Income Community because it has a family median income of 78.87% and meets the requirements for severe distress in accordance with the criteria set forth in ESNMC's Allocation Agreement because the census tract is located in a Non-Metropolitan County. In addition, the census tract has an unemployment rate of 11.80%, or 1.42x the national average (based on 2015 census data).

Project Support: The support for the Hornell Medical Village project has been significant. Locally it is supported by the City of Hornell, the Steuben County Manager, and the Steuben County Industrial Development Agency. Mayor Hogan, who is on ESNMC’s Advisory Board, strongly recommended this project for investment as a lynchpin to catalyzing investment in Hornell and transforming healthcare in this rural low-income community. Finally, the hospital has received New York State grant awards in the amount of \$55 million from the Essential Health Care Provider Support Program and \$7.9 million from the Statewide Health Care Facility Transformation Program that funds the new hospital construction and electronic medical record implementation.

II. Project Cost and Financing Sources

The table below outlines approximate amounts for the expected Project uses and financing sources, which will be finalized prior to closing and subject to review and approval by ESNMC.

Financing Uses	Amount	%
Tenant Improvements	\$5,517,105	63.6%
Telecommunications & IT	630,759	7.3%
Furniture, Fixtures & Equipment	1,593,204	18.4%
Closing/Administrative Costs	933,000	10.8%
Total Uses	\$8,674,068	100%

Financing Sources	Amount	%	Terms
ESNMC Loan A	\$5,441,600 ⁽¹⁾	62.7%	Approx. 1%, 25 years
ESNMC Loan B	2,238,400 ⁽²⁾	25.8%	Approx. 1%, 25 years
SJH Equity	994,068 ⁽¹⁾	11.5%	
Total Uses	\$8,674,068	100%	

Notes

- (1) These funds are indirectly sourced from a loan by Wells Fargo to SJH, the proceeds of which SJH will use to make a leverage loan to the Fund and fund an equity contribution to the Borrower, as described in more detail below.
- (2) This figure is net of approximately \$320,000 of ESNMC’s CDE fee paid at closing. This funding is indirectly sourced from equity from Wells Fargo, which is ESNMC’s NMTC investor.

III. Project Description

A. Sponsor

Industry: The Project Sponsor is St. James Hospital, which is a nonprofit hospital that has provided comprehensive medical services in the Hornell and surrounding communities for 125 years.

Sponsor History: Founded in 1890, St. James Mercy Hospital (now St. James Hospital) has provided health care services to residents in the Hornell and surrounding communities for more than 125 years. During this time, SJH has evolved from its humble beginnings as a small, rural farmhouse to the regional, full-service hospital it is today.

Governed by a self-perpetuating community-based board, SJH is a community of persons committed to being a transforming, healing presence within the rural communities served, particularly addressing the needs of the poor, underserved, and disadvantaged.

SJH provides compassionate, quality care and offers a full range of inpatient and outpatient services, including emergency, acute medical and surgical imaging, and laboratory. Special services include cardiac and pulmonary rehabilitation and physical and speech therapies. SJH also runs an Express Care, a Coumadin clinic, a personal emergency response system called MercyLine, mammography, digital imaging and orthopedics.

The network of physicians, nurse practitioners, and physician assistants provide primary and specialty care to enhance access to health services for residents of Hornell and the surrounding communities.

To give the community the best care possible, SJH has partnered with various health care entities from across the region. They include:

- UR Medicine: Supporting the hospital's continued transformation
- Loyola Recovery Foundation: In-patient and out-patient addiction services
- Fresenius Medical Care North America: Dialysis services
- Post-Acute Partners: Long term and adult day care facility
- Oak Orchard Health: Pediatric and primary care

Prevention and wellness programs have grown significantly in recent years and SJH also serves as the lead agency for grant funded efforts under the auspices of the Cancer Services Program of Steuben County, which includes cancer screening.

Ownership: The Borrower is expected to be Hornell Medical Village, LLC, an affiliate of SJH, which will undertake the Project, including the fit out and installation of all equipment at the Project. The Borrower will lease the Project space from a private landlord that is developing the MOB, complete the Project, and ultimately sublease the space and equipment to SJH. In addition, SJH is now affiliated with the University of Rochester Medical Center ("URMC"), which is creating a regional health network in

these upstate rural low-income communities. URMC has agreed to provide a senior loan guaranty as part of the NMTC transaction.

Market: Located in the rural Southern Tier of New York State in Steuben County, SJH is the sole community provider within its service area. The primary service area for SJMH is the 15-mile radius extending from Hornell (zip code 14843) and includes the towns of Wayland to the northeast and Troupsburg to the southeast (just outside of the 15-mile radius). The secondary service area is the 30-mile radius extending from Hornell. The population for Steuben County remains relatively flat, increasing 0.3% from 2000 to 2010 to 98,990 and is projected to remain flat through 2014 (2010 Census). The population aged 65 and over comprises 16% of the county compared to 13% for New York State population (2010 Census). Steuben is one of the most economically challenged counties in NYS with unemployment rate of 4.8% (June 2018, NYS Dept. of Labor), which is tied for 48th out of 62 counties.

ESD Involvement: New York State legislation requires ESD to select and prioritize projects demonstrating certain goals or benefits and approve the Project as an ESD project. In accordance therewith, on August 16, 2018, the ESD board of directors will be requested to separately approve the Project.

Past ESD Support: None. However, SJH has received New York State grant awards in the amount of \$55 million from the Essential Health Care Provider Support Program and \$7.9 million from the Statewide Health Care Facility Transformation Program, the proceeds of which will be used to fund the new hospital construction and electronic medical record implementation.

B. The Project

Completion: Approximately Q1 2019

Activity: This Project for SJH that ESNMC is financing is a key component of creating the Hornell Medical Village to help transform rural healthcare delivery in and around Hornell, NY. Upon completion of the SJH's Project within the MOB, SJH will lease approximately 19,000 SF for:

- Relocation of the following current Article 28 extension clinics operated by SJH: Urgent (Express) Care, General Surgery Clinic, Orthopedic Clinic, and a remote lab draw station.
- Relocation of the following Article 28 program services from the main hospital campus location (411 Canisteo Street, Hornell NY): Physical Therapy, Cardiac Rehabilitation Services, and woman's imaging services (mammography, bone density and ultrasound).

- Addition of the following new extension clinics: a Primary Care Clinic and a Specialty Clinic (ENT, GI, Cardiology and Neurosurgery).

Results:

SJH is a struggling rural hospital that has affiliated with URMC, which is executing a regional plan to transform regional healthcare delivery in low-income rural areas. SJH has also received nearly \$63 million in NYS grants to build a hospital adjacent to the Project as part of creating the Hornell Medical Village (“HNV”). As part of its affiliation with URMC and creation of the HNV, it is working with other healthcare providers at HNV such as Oak Orchard Health Center to bring complimentary services to this community. This Project allows for significant healthcare expansion. Today SJH’s facilities allow for 22,918 annual visits. SJH’s Project in the MOB that ESNMC is financing is expected to allow SJH to nearly double site visits by 2020 to 40,610 annual patient visits for the services that it provides within the MOB.

Through this investment, SJH expects to create approximately 12 and retain 73 new (85 in total) local full-time equivalent (FTE) jobs as part of the SJH Project that ESNMC is financing within the MOB.

- 77 or 90.6% of the jobs at the Project are expected to pay at or above the Living Wage in Hornell, NY per the MIT Living Wage Calculator. The remaining 8 employees pay very close to the Living Wage or at most \$0.38 / hr below the Living Wage.
- 46 or 54.1% of the jobs are expected to be available to low-income people or residents of low-income communities.
- SJH provides comprehensive benefits to employees who work at least 30 hours per week.

Sponsor Contact: Mark Prunoske, SVP – CFO
Phone: (585) 396-6280

Project Team:	Origination	Jonevan Hornsby
	Project Management	Brendan Healey
	Contractor & Supplier Diversity	Edwina Telemaque
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Statutory Basis

And Findings: Section 45 D of the Internal Revenue Code, Section 10 (g) and Sections 12 and 16 (2) of the New York State Urban Development Corporation Act of 1968, as amended (the “UDC Act”). As noted above, the NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The Project will comply with all applicable NMTC program requirements. ESD is required to approve the Project (and is scheduled to do so at a meeting to be held on August 16, 2018) and ESNMC will comply with applicable federal tax laws and consummate the transaction. ESNMC is making certain findings as part of its approval of the Project.

IV. NMTC Program Background and ESNMC Role

The NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The U.S. Department of the Treasury’s Community Development Financial Institutions Fund (the “CDFI Fund”) allocates NMTCs under a competitive application process. Investors who make qualified equity investments (“QEIs”) in community development entities (“CDEs”) reduce their federal income tax liability by claiming the NMTC.

CDEs, such as ESNMC, the CDE that is controlled by ESD, apply to the CDFI Fund for an allocation of NMTCs. After an award of NMTC allocation, the CDE uses subsidiary CDEs to attract private equity investors who make QEIs in the subsidiary CDEs in order to claim the NMTCs. The subsidiary CDE then makes loans or equity investments in qualified businesses that are located in low-income communities. These loans and/or equity investments are made on better rates and terms than market.

The tax credit value is 39% of the cost of the QEI and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to 5% of the total amount paid for the stock or capital interest in the subsidiary CDE at the time of purchase. For the final four years, the value of the credit is 6% annually. Investors must retain their interest in a QEI throughout the seven-year period.

By federal law, any CDE must be a domestic corporation or partnership that must go through a certification process to obtain its status. Partnerships and limited liability companies (“LLCs”) are the preferred subsidiary to structure NMTC projects. ESNMC has created certified subsidiary CDEs as LLCs and has sub-allocated and will sub-allocate its NMTCs to one of these LLCs for each project.

Through the NMTC program, \$54.0 billion in NMTCs have been awarded to CDEs across the country since inception.

ESNMC received its first allocation of NMTCs in 2009 in the amount of \$30 million. All of this initial allocation has been deployed in two NMTC projects. ESNMC received a second allocation in the amount of \$55 million in the 2015-2016 round of the NMTC program (the "Allocation"). ESNMC has used \$16.5 million of the Allocation in connection with the National Comedy Center and SUNY Broome transactions, which closed in April 2017 and April 2018, respectively. The ESNMC board of directors has also authorized an additional \$8.5 million in Allocation for the Ellicott Station transaction.

V. Overall Structure of Hornell Medical Village NMTC Transaction

The Hornell Medical Village – St. James Hospital Medical Office Building Fit Out transaction will be structured as follows: Wells Fargo Bank, N.A. (or an affiliate thereof) ("Wells Fargo") will make an approximate \$2,558,400 equity investment ("NMTC Equity") in a special purpose fund (the "Fund") wholly-owned by Wells Fargo and formed for the purpose of this transaction. Wells Fargo will make an approximately \$6,435,668 loan to SJH, and SJH will use \$5,441,600 of such loan proceeds to make a leverage loan to the Fund ("Fund Loan").

The proceeds of the Fund Loan and the NMTC Equity will be combined by the Fund and used to make a QEI in the amount of \$8,000,000 in the Subsidiary CDE. ESNMC will sub-allocate \$8,000,000 of NMTC allocation authority to the Subsidiary CDE. The Subsidiary CDE will use the proceeds of the QEI from the Fund to make loans to the Borrower in an aggregate amount equal to approximately \$7,680,000 and to pay a fee to ESNMC in the amount of \$320,000.

The balance of funding for the Project will be equity provided by SJH in the amount of approximately \$994,068, which is the remainder of the \$6,435,668 loan not used to make the Fund Loan. As described above, the Borrower, an affiliate of SJH, will lease the space from a third-party landlord and build out and equip the space. It will then sublease the fit out and equipped space to SJH, which will provide medical services at the facility.

Wells Fargo, will require the Subsidiary CDE and its managing member, ESNMC, to indemnify Wells Fargo from the recapture or disallowance of the NMTC caused by acts or omissions of the Subsidiary CDE, so that Wells Fargo will be made whole (subject to any caps that may be negotiated) in respect to its investment even if the NMTCs are lost or recaptured.

Notwithstanding the foregoing, the structure of the transaction is still under discussion and may be affected by receipt of additional documentation and further evaluation by the transaction parties. In addition, due to timing and other considerations, ESNMC may choose to close initially with Wells Fargo to fund the QEI into the Subsidiary CDE, and then close the loans to the Borrower at a later time when all underwriting and due diligence requirements with respect to the Project have been satisfied.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises (MWBEs) and service disabled veteran owned businesses (SDVOBs) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed the Project and has determined that MWBE and SDVOB participation goals need not be applied to this Project.

VII. Environmental Review

The Town of Hornellsville Zoning Board of Appeals, as lead agency, has completed an environmental review of the proposed project pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on March 29, 2017. ESD staff on behalf of ESNMC 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.

VIII. Requested Actions

The Directors are being asked to adopt, subject to the requirements of Section 16(2) of the UDC Act, the herein described General Project Plan (“GPP”), and to make a sub-allocation of up to Eight Million Dollars (\$8,000,000) from the Allocation for the purposes set forth in the GPP. The Directors are also being asked to delegate to one or more authorized officers of ESNMC, acting in its own capacity, or as managing member of the Subsidiary CDE, the authority to determine the terms of the NMTC transaction documents and to execute such NMTC transaction documents on behalf of ESNMC and the Subsidiary CDE in connection with the closing of the NMTC transaction.

IX. Additional Submissions to Directors

Resolutions
New York State Map

August 8, 2018

EMPIRE STATE NEW MARKET CORPORATION – Hornell (Southern Tier Region – Steuben County) – Hornell Medical Village – St. James Hospital Medical Office Building Fit Out – New Markets Tax Credit Sub-Allocation – Authorization to Adopt the Proposed General Project Plan (the “GPP”); Authorization to Sub-Allocate New Markets Tax Credits (“NMTCs”) and to Take Related Actions; Authorization to Perform Certain Acts in Connection with the Sub-Allocation of NMTCs to ESNMC Subsidiary CDE VII, LLC (the "Subsidiary CDE") and the Closing of the NMTC Transaction and to Take Related Actions; Determination of No Significant Effect on the Environment

WHEREAS, Empire State New Market Corporation, a New York corporation (the “Corporation”), has been certified by the Community Development Financial Institutions Fund (the "CDFI Fund") as a "qualified community development entity" (a "CDE"), as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations and the related guidance, and the Corporation has entered into that certain Allocation Agreement dated effective as of February 13, 2017, as amended by that certain letter amendment effective as of October 4, 2017 (collectively, the “Allocation Agreement”), with the CDFI Fund in connection with an allocation of NMTCs under Section 45D of the Code in the amount of \$55,000,000 (the “Allocation”);

WHEREAS, the Corporation desires to sub-allocate to ESNMC Subsidiary CDE VII, LLC, a New York limited liability company (the “Subsidiary CDE”), up to \$8,000,000 in NMTC authority from the Corporation's Allocation (the "Sub-Allocation") in connection with the proposed investment in Hornell Medical Village, LLC, a New York limited liability company (“QALICB”), for the Hornell Medical Village – St. James Hospital Medical Office Building Fit Out project (the "Project") as described in the GPP;

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

RESOLVED, the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to cause the Corporation to make to the Subsidiary CDE, a Sub-Allocation of up to Eight Million Dollars (\$8,000,000) from the Allocation, for the purposes of making NMTC financing available to the Project described in the GPP, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President of the Corporation or his designee(s) may deem appropriate, and be it further

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

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation acting in its own capacity, or as managing member of the Subsidiary CDE, to negotiate, issue, execute and deliver any and all transaction documents and instruments, including but not limited to, operating agreement(s), loan and security agreements, indemnity agreement(s), fee agreements, asset management agreements, bank accounts, account control agreements, disbursement agreements, and any other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications (collectively , the "Transaction Documents"), and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions including such modifications to the terms of the transaction as he or she may deem necessary or appropriate and reasonably consistent with the GPP Any actions previously taken by the Corporation in furtherance of the GPP are hereby ratified and approved.

RESOLVED, that based on the environmental review of the proposed project conducted by the Town of Hornellsville Zoning Board of Appeals, as lead agency, 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, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Schenectady, NY (Capital District Region – Schenectady County) – Boys & Girls Club of Schenectady (the “Project”)

REQUEST FOR: Findings and Determinations Pursuant to Sections 12 and 10(g) of the New York State Urban Development Corporation Act, as Amended (the “Act”); Authorization to Prioritize and Approve the Project, Adopt and Ratify Empire State New Market Corporation (“ESNMC”) Board Findings and General Project Plan; Determination of No Significant Effect on the Environment and Take Related Actions

I. New Markets Tax Credit (“NMTC”) Program Background and New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) Role

The NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The U.S. Department of the Treasury’s Community Development Financial Institutions Fund (the “CDFI Fund”) allocates NMTCs under a competitive application process. Investors who make qualified equity investments (“QEIs”) in community development entities (“CDEs”) reduce their federal income tax liability by claiming the NMTC. The tax credit value is 39% of the cost of the QEI and is claimed over a seven-year credit allowance period.

CDEs, such as ESNMC, apply to the CDFI Fund for an allocation of NMTCs. After an award of NMTC allocation, the CDE uses subsidiary CDEs to attract private equity investors who make QEIs in the subsidiary CDEs in order to claim the NMTCs. The subsidiary CDE then makes loans or equity investments in qualified businesses that are located in low-income communities. These loans and/or equity investments are made on better rates and terms than market. Through the NMTC program, \$54 billion in NMTCs have been awarded to CDEs across the country since inception.

ESNMC, a subsidiary of ESD, received its first allocation of NMTCs in 2009 in the amount of \$30 million. All of this initial allocation has been deployed in two NMTC projects. ESNMC received a second allocation in the amount of \$55 million in the 2015-2016 round of the NMTC program (the “Allocation”). ESNMC has used \$11 million of the Allocation in connection with the National Comedy Center transaction (closed in April 2017) and \$5.5 million in connection with the SUNY Broome Community College transaction (closed in May 2018).

Although the ESNMC board of directors (the “ESNMC Board”) approves projects for NMTC purposes, the New York State Urban Development Corporation Act (the “UDC Act”) requires the ESD board of directors to separately determine that any such projects would otherwise be approved by ESD and demonstrate one or more goals detailed below.

II. ESNMC Project Authorization

On August 8, 2018, the ESNMC Board adopted a General Project Plan for the construction of a new 38,587 square foot Youth Development Center (the “Project”) for the Boys and Girls Club of Schenectady, Inc. in Quackenbush Park, a highly distressed area in the City of Schenectady, NY, and authorized the related sub-allocation of NMTCs:

<u>Amount</u>	<u>Project Sponsor</u>
Up to \$6,000,000	Boys and Girls Club of Schenectady, Inc. (“BGCS”)

The NMTC sub-allocation will be used to pay construction and other related development costs in connection with the Project, including hard, soft and transaction closing costs. The ESNMC Board also authorized the President of ESNMC or his designee(s), in the name of ESNMC, or as managing member of a subsidiary CDE, to negotiate, issue, execute and deliver any and all necessary transaction documents to close the Project.

III. Project Impact Summary

Completion: September 2019

Activity: Upon completion of the Project, BGCS will offer its Youth Development Programs which will focus primarily on Teen Career Readiness, Theater and Performing Arts, and a commercial learning kitchen work program. The Project facility will also accommodate the operation of a radio station (broadcast throughout BGCS only) to allow students to learn how to be DJs. In addition, other programs designed to enhance academic performance and build competencies to help ensure youth future success, including character education, alcohol and drug abuse/pregnancy prevention and STEM related programs, etc. will be offered in the new facility.

Results: This Project is estimated to create 10 new full-time equivalent (“FTE”) jobs and retain 11 FTE jobs for a total of 21 FTE jobs. In addition, this Project is estimated to create 63 FTE construction jobs (8 during the predevelopment phase and 55 during the construction phase). BGCS is planning to create an Opportunity Contracting & Hiring Plan to target 10% of the jobs to low-income community (“LIC”) residents, but the goal (best efforts basis) is that 30% of employees hired are low-income people/LIC residents.

BGCS provides young people (ages 6 through 18) with: 1) a safe place to learn and grow; 2) ongoing relationships with caring, adult professionals; 3) life-enhancing programs and character development experiences; and 4) hope and opportunity. BGCS currently charges a nominal membership fee of \$5.00 per year (which is waived when needed) and is the largest agency provider of services to the youth in Schenectady County serving over 3,300 members and reaching over 12,700 total youth in 2015.

BGCS serves fresh meals to its young members and community residents. It is projecting to serve 250 meals daily in the new facility. This program is monitored by the Child & Adult Care Food Program (CACFP), a USDA program that ensures healthy balanced meals are served daily. The commercial kitchen in the new facility will allow the organization to increase the quality meals served to the community.

The Project will be built to be environmentally sustainable and BCGS is investigating which environmental certification will be most beneficial to the project. Various energy saving features will be employed on this Project including heat recovery, high efficiency HVAC systems, and LED lighting. With respect to plumbing, the Project's design calls for the utilization of ultra-low flow toilets and urinals, low flow and sensor sinks and faucets, and water efficient dishwashers. The use of irrigation systems and controls, and the use of xeriscape landscaping will reduce the use of water needed for irrigation. BGCS currently uses photovoltaic solar panels to generate a portion of its electrical supply and it is anticipated that the new facility will take advantage of this renewable source of energy. The General Contractor is projected to use a waste disposal service that provides for recycling of construction debris.

Detailed Project and Financing information can be found in the attached ESNMC Board materials.

IV. Statutory Basis and Findings

Section 45D of the Internal Revenue Code, Section 10(g) and Sections 12 and 16(2) of the UDC Act. As noted above, the NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The Project will comply with all applicable NMTC program requirements. ESD is required to approve the Project (as described herein and in the attached ESNMC Board materials) and ESNMC will comply with applicable federal tax laws and consummate the transaction.

In April 2011, the UDC Act was amended to assist ESD's participation in the NMTC program. The UDC Act requires ESD to select and prioritize projects demonstrating one or more of the following goals ("Goals"): (a) creating or retaining jobs in low income communities; (b) increasing the provision of goods and services for low income community residents which

would otherwise not be available at the same price or quality; (c) supporting minority and women owned or controlled businesses; (d) expanding housing opportunities for low income community persons; (e) supporting environmentally sustainable outcomes; and (f) supporting efforts that otherwise benefit low income community residents by leveraging further investment in their communities. The Project has been selected as meeting the Goals outlined in (a), (e) and (f) based on the anticipated community impacts described in the Results section above.

In addition to setting the Goals noted above, the statute requires that projects “be limited to projects that would be authorized under this Act and shall be subject to approval by the Board of the Urban Development Corporation.”

By adopting the ESNMC General Project Plan, finding the Project achieved one or more of the Goals and making all other ESD required findings, including conducting a hearing and environmental review, this Project would be authorized by the UDC Act and, further, this Project is consistent with the Mission Statement of ESD.

V. Past ESD Support

The Project has not received an award through the REDC; however, NYS Homes and Community Renewal (“HCR”) is underwriting up to \$3 million of grant funds through HCR’s Community Investment Fund (“CIF”) for the Project.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises (MWBEs) and service disabled veteran owned businesses (SDVOBs) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed the Project and has determined that MWBE and SDVOB participation goals need not be applied to this Project.

VII. Environmental Review

The City of Schenectady, as lead agency, has completed an environmental review of the proposed Project pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the Project to be an Unlisted Action, which would not have a significant adverse effect on the environment. The lead agency issued a Negative Declaration on May 29, 2018. ESD staff on behalf of ESNMC 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.

VIII. Requested Action

The Directors are requested to make findings and determinations to prioritize and approve the Project, adopt and ratify ESNMC Board findings and General Project Plan, make a Determination of No Significant Effect on the Environment and take related actions.

IX. Additional Submissions to Directors

Resolutions

New York State Map

ESNMC Directors' Materials – Dated August 8, 2018

August 16, 2018

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Schenectady, NY (Capital District Region – Schenectady County) – Boys & Girls Club of Schenectady (the “Project”) – Findings and Determinations Pursuant to Sections 12 and 10(g) of the New York State Urban Development Corporation Act, as Amended (the “Act”); Authorization to Prioritize and Approve the Project, Adopt and Ratify Empire State New Market Corporation (“ESNMC”) Board Findings and General Project Plan; Determination of No Significant Effect on the Environment and Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, copies of which are hereby ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”), relating to the Project, the Corporation hereby selects and approves the Project, in accordance with the requirements of Section 12 and 10(g) of the Act, based on the proposed ESNMC General Project Plan (the “GPP”) for the Project submitted to this meeting, together with such changes therein as the ESNMC President or his designee(s) may deem appropriate, a copy of which GPP, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that, in accordance with Section 16(2) of the Act, 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 GPP, such GPP 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 approve the Project, including the allocation of \$6,000,000 of NMTCs, 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; and be it further

RESOLVED, that pursuant to Section 10(g) of the Act, that there are no families or individuals to be displaced from the Project area; and be it further

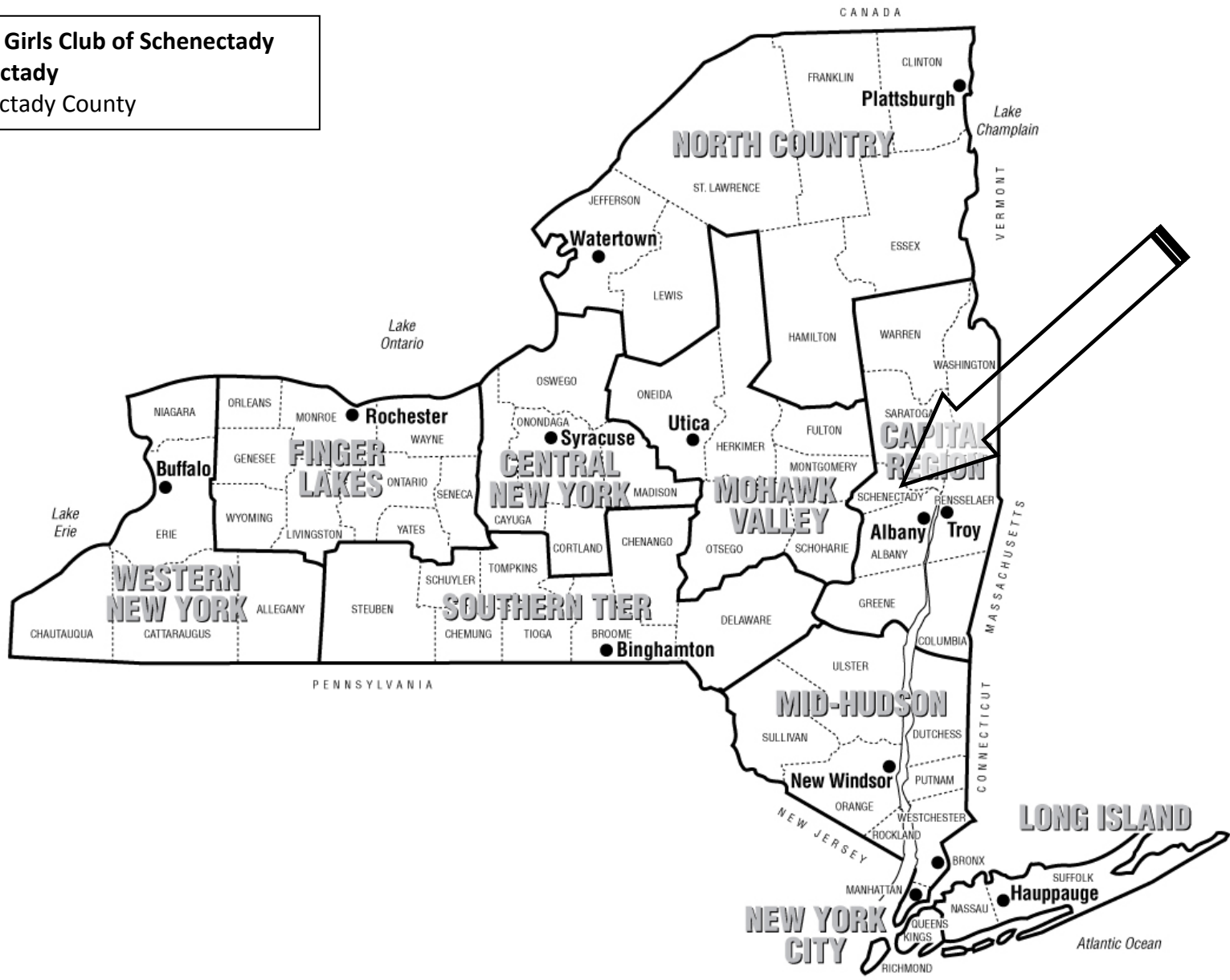
RESOLVED, that the President and Chief Executive Officer or his designee(s) be and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions, including changes in the terms of the GPP as he or she may in his or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

RESOLVED, that any actions previously taken by the Corporation in furtherance of the actions authorized herein are hereby ratified and approved.

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

* * *

Boys & Girls Club of Schenectady
Schenectady
Schenectady County





FOR CONSIDERATION

August 8, 2018

TO: The Directors

FROM: Jonevan Hornsby

SUBJECT: Schenectady, NY (Capital District Region – Schenectady County) – Boys & Girls Club of Schenectady (the “Project”) – New Markets Tax Credit Sub-Allocation

REQUEST FOR: Authorization to Adopt the Proposed General Project Plan; Authorization to Sub-Allocate New Markets Tax Credits (“NMTCs”) and to Take Related Actions; Authorization to Perform Certain Acts in Connection with the Sub-Allocation of NMTCs to ESNMC Subsidiary CDE VI, LLC (the “Subsidiary CDE”) and the Closing of the NMTC Transaction and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Project Sponsor: Boys and Girls Club of Schenectady, Inc. (“BGCS” or the “Sponsor”).

Borrower: A to be formed not-for-profit corporation (the “Borrower” or “QALICB”) that will serve as a supporting organization of BGCS. The Borrower intends to apply to be a 501(c)(3) organization and will have an independent Board of Directors.

ESNMC* Request: Approval (1) to authorize a sub-allocation of up to \$6,000,000 in federal NMTCs to be used to pay for a portion of the cost of certain real estate development costs for the Project, including hard, soft, and transaction closing costs, and (2) to delegate authority to the President of Empire State New Market Corporation (“ESNMC”) and his designee(s) to take any and all actions with respect to such sub-allocation of NMTCs, the final terms of all transaction documents, and closing the transaction.

*ESNMC is a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”).

Project Location: 1097 Forest Road, Schenectady, NY

Proposed Project: The project involves the construction and development of a new 38,587 SF Youth Development Center to be operated by BGCS in the highly distressed Quackenbush Park area of Schenectady, New York (the "Project").

Project Type/
Alignment with
Priorities:

The Project is generally consistent with the strategy that ESNMC proposed to the CDFI Fund. ESNMC's strategy for its current NMTC Allocation (as defined below) is to invest in transactions that focus on growing manufacturing and distribution; advancing workforce development projects; and financing catalytic investments to spur other investments in the community. ESNMC also indicated in its business strategy that it would dedicate at least 50% of its NMTC Allocation to finance projects in Non-Metropolitan (i.e. rural) communities. This Project fits well with this strategy as it a) will revitalize a highly distressed community; b) is a catalytic project; and c) offers a workforce training program for young people.

For NMTC purposes, the census tract in which the Project is located qualifies under high distress criteria based on a family median income of 46.61% which is lower than the threshold of 60%, and an unemployment rate of 21.60%, or 2.60x the national average, which is more than the minimum ratio of 1.5x the national average.

Project Support: The construction of the new facility enjoys significant support from government agencies, community stakeholders, and private organizations. It is also part of a strategic effort by the City of Schenectady to develop/revitalize two communities which have been impacted by multiple social issues.

1) BGCS has significant community support including from the Schenectady City School District (with schools proximate to the new center), the City of Schenectady (the "City") including City Council & the Mayor, support from the Mont Pleasant Neighborhood Association, key community leaders and most importantly to BGCS, the families of the young people who will be utilizing the new facility. BGCS has conducted a capital campaign to raise a significant amount of capital to build the facility. Several foundations, corporations and government agencies have supported the organization. For example, NYS Homes and Community Renewal ("HCR") is underwriting a grant

to the Project in the amount of up to \$3 million. BGCS is in receipt of letters of support from the following:

- a. James N. Tedisco – Senator/State of New York, 49th District
- b. Phil Steck – State Assembly Rep/State of NY, 110th District
- c. George A. Amedore, Jr – Senator/State of NY, 46th District
- d. Angelo Santabarbara – State Assembly Rep/111th District
- e. Mont Pleasant Neighborhood Association
- f. Gary R. McCarthy, City of Schenectady Mayor

- 2) The Project is a key component of the redevelopment of Hamilton Hill and Mont Pleasant which have received significant investment to revitalize various aspects of the community including housing, commercial and supporting services. There are several housing projects being undertaken and others that have been recently completed. The Community Builders (“TCB”) purchased the BGCS’s site located at 400 Craig Street and converted this building into low income housing and community art space. TCB’s initial investment in this affordable housing project is \$20 million. TCB is currently planning a second phase of the development for approximately \$30 million. An affiliate of TCB will also be providing an NMTC allocation to the Project as described below. Schenectady County is investing \$3 million to build a new Mont Pleasant Library on Crane Street, while the Capital Region Land Bank is investing over \$1 million in renovation and blight fighting demolition projects. The City is also investing in Orchard Park and in new street light technology in the Crane Street corridor.

The City recently received a \$90,000 federal grant from the Capital District Transportation Committee (CDTC) to help fund a project designed to continue the redevelopment momentum in both the Hamilton Hill and Mont Pleasant neighborhoods. The City is working with Metroplex, the County, and the Capital Region Land Bank in the development of the Craig Street corridor with the aim to renovate homes, remove blight and promote investment in the community. The grant will be used to fund a study that will focus on creating a development corridor that links Albany Street to Craig Street to Main Avenue to Crane Street. The goal is to create a corridor that invites more commercial and residential development.

II. Project Cost and Financing Sources

The table below outlines approximate amounts for the expected project uses and financing sources, which will be finalized for closing based on final bids and review by ESNMC. BGCS is relying on 100% soft financing and tax credits to finance the Project as it is not able to support traditional debt or equity.

Sources	Amount	% of Total
ESNMC Loan A QLICI	\$4,057,800	33.56%
ESNMC Loan B QLICI (NMTC Equity)	1,777,200	14.70%
TCB Loan A QLICI	4,057,800	33.56%
TCB Loan B QLICI (NMTC Equity)	1,702,200	14.08%
BGCS contribution	497,353	4.11%
Total Sources	\$12,092,353	100.00%

Construction Costs	Amount	% of Total
<i>Hard Costs:</i>		
Construction - Commercial	\$8,085,872	66.87%
Contractor's General Conditions	487,500	4.03%
Contractor's Overhead	162,500	1.34%
Contractor's Profit	325,000	2.69%
Contractor's Bond Premium	39,128	0.32%
<u>Owner's Construction Contingency</u>	<u>400,000</u>	<u>3.31%</u>
Total Hard Costs	\$9,500,000	78.56%
<i>Soft Costs:</i>		
Architect-Design	\$685,000	5.66%
Construction Management	30,000	0.25%
Environmental Audit/Testing	3,500	0.03%
Permits/Zoning	100,000	0.83%
Title & Recording	25,000	0.21%
Consultant	265,000	2.19%
Soft Cost Contingency	67,105	0.55%
TCB Sub-CDE Fee Reserve	310,000	2.56%
ESNMC Subsidiary Fee Reserve	310,000	2.56%
NMTC Transaction Costs	665,000	5.50%
First Year Accounting Expense	10,000	0.08%
<u>Interest During Construction</u>	<u>121,748</u>	<u>1.01%</u>
Total Soft Costs	\$2,592,353	21.44%
Total	\$12,092,353	100.00%

III. Project Description

A. Sponsor

Industry: BGCS is a not-for-profit social services organization formed to promote, supervise and administer the educational and recreational programs of the Boys & Girls Clubs of America ("BGCA") in the Schenectady community.

Sponsor History:

As noted above, BGCS is affiliated with BGCA, the national and umbrella organization for all Boys and Girls Clubs. BGCA had its beginnings in 1860 with three women in Hartford, Connecticut - Mary Goodwin, Alice Goodwin and Elizabeth Hammersley. Believing that boys who roamed the streets should have a positive alternative, they organized the first Club. With character development as the cornerstone of the experience, the Club focused on capturing boys' interests, improving their behavior and increasing their personal expectations and goals. Since its creation more than 100 years ago, BGCA has evolved significantly becoming an influential force in youth development. It currently serves nearly 4 million young people through membership and community outreach in 4,300 Clubs throughout the country and BGCA-affiliated Youth Centers on U.S. military installations worldwide. The Boys & Girls Club Movement is a federated model. More than 1,100 independently and locally governed organizations serve youth in 4,300 Club locations. BGCA's national headquarters, located in Atlanta, provides support for Clubs in youth program development, marketing and communications, resource development, and administration. Clubs also receive assistance from regional service centers and Government Relations offices in Washington, D.C.

BGCS's programs have been effective in helping young people set high expectations for themselves. BGCS's programs have provided measurable change for the members it serves. The Mission of the Boys & Girls Clubs of Schenectady is to inspire and enable all young people, especially those who need them most, to reach their full potential as productive, caring, responsible citizens. The organization provides young people (ages 6 through 18) with: 1) a safe place to learn and grow; 2) ongoing relationships with caring, adult professionals; 3) life-enhancing programs and character development experiences; and 4) hope and opportunity. BGCS currently charges a nominal membership fee of \$5.00 per year (which is waived when needed) and is the largest agency provider of services to the youth in Schenectady County serving over 3,300 members and reaching over 12,700 total youth in 2015.

Ownership:

BGCS is a not-for-profit organization. The QALICB Borrower for this project will be a new special purpose entity that is governed and controlled by a separate Board of Directors from BGCS's Board. This new entity will be a not for profit organization created by BGCS. As described herein, the Borrower will lease the Project to BGCS and BGCS will operate the Project as a Youth Development Center.

Size: BGCS is a small social service, nonprofit organization with 21 projected employees that provides key social services to over 12,700 young people annually and a membership of 3,300 young people ranging from 6 to 18 years of age.

Market: BGCS is the largest agency provider of services to the youth in Schenectady County. Schenectady is one of the most economically challenged counties in NYS with high rates of poverty and unemployment, particularly in the two neighborhoods where the facility will provide its programs.

ESD Involvement: New York State legislation requires ESD to select and prioritize projects demonstrating certain goals or benefits and approve the Project as an ESD project. In accordance therewith, on August 16, 2018, the ESD board of directors will be requested to separately approve the Project.

Past ESD Support: None. However, BGCS has requested New York State grant award in the amount of \$3 million from HCR's Community Investment Fund ("CIF").

B. The Project

Completion: September 2019

Activity: Upon completion of the Project, BGCS will offer its Youth Development Programs which will focus primarily on Teen Career Readiness, Theater and Performing Arts, and a commercial learning kitchen work program. The space will also include the operation of a radio station (broadcast throughout BGCS only) to allow students to learn how to be DJs. In addition, other programs designed to enhance academic performance and build competencies to help ensure youth future success, including character education, alcohol and drug abuse/pregnancy prevention, and STEM related programs, etc. will be offered in the new facility.

Results: This Project is estimated to create and retain approximately 21 new full-time equivalent ("FTE") jobs. These jobs include 11 new local FTE jobs and 10 retained FTE jobs. In addition, this Project is estimated to create 63 FTE construction jobs. BGCS is planning to create an Opportunity Contracting & Hiring Plan to target 10% of the jobs to low-income community ("LIC") residents, but the goal (best efforts basis) is that 30% of employees hired are low-income people/LIC residents.

BGCS serves fresh meals to its young members and community residents and anticipates serving 250 meals daily in the new facility. This program is monitored by the Child & Adult Care Food Program (CACFP), a USDA

program that ensures healthy balanced meals are served daily. The commercial kitchen in the new facility will allow the organization to increase the quality meals served to the community.

The project will be built to be environmentally sustainable and is investigating which environmental certification will be most beneficial to the project. Various energy saving features will be employed on this project including heat recovery, high efficiency HVAC systems, and LED lighting. With respect to plumbing, the Project's design calls for the utilization of ultra-low flow toilets and urinals, low flow and sensor sinks and faucets, and water efficient dishwashers. The use of irrigation systems and controls, and the use of xeriscape landscaping will reduce the amount of water needed for irrigation. BGCS currently uses photovoltaic solar panels to generate a portion of its electrical supply, it is anticipated that the new facility will take advantage of this renewable source of energy. The General Contractor is projected to use a waste disposal service that provides for recycling of construction debris.

Sponsor Contact: Shane Bargy
Executive Director
Boys & Girls Clubs of Schenectady
Phone: (518) 374-4714

Project Team:	Origination	Jonevan Hornsby
	Project Management	Brendan Healey
	Contractor & Supplier Diversity	Edwina Telemaque
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Statutory Basis
And Findings: Section 45D of the Internal Revenue Code, Section 10 (g) and Sections 12 and 16 (2) of the New York State Urban Development Corporation Act of 1968, as amended (the "UDC Act"). As noted herein, the NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The Project will comply with all applicable NMTC program requirements. ESD is required to approve the Project (and is scheduled to do so at a meeting to be held on August 16, 2018) and ESNMC will comply with applicable federal tax laws and consummate the transaction. ESNMC is making certain findings as part of its approval of the Project.

IV. NMTC Program Background and ESNMC Role

The NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The U.S. Department of the Treasury's Community Development Financial Institutions Fund (the "CDFI Fund") allocates NMTCs under a competitive application process. Investors who make qualified equity investments ("QEIs") in community development entities ("CDEs") reduce their federal income tax liability by claiming the NMTC.

CDEs, such as ESNMC, the CDE that is controlled by ESD, apply to the CDFI Fund for an allocation of NMTCs. After an award of NMTC allocation, the CDE uses subsidiary CDEs to attract private equity investors who make QEIs in the subsidiary CDEs in order to claim the NMTCs. The subsidiary CDE then makes loans or equity investments in qualified businesses that are located in low-income communities. These loans and/or equity investments are made on better rates and terms than market.

The tax credit value is 39% of the cost of the QEI and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to 5% of the total amount paid for the stock or capital interest in the subsidiary CDE at the time of purchase. For the final four years, the value of the credit is 6% annually. Investors must retain their interest in a QEI throughout the seven-year period.

By federal law, any CDE must be a domestic corporation or partnership that must go through a certification process to obtain its status. Partnerships and limited liability companies ("LLCs") are the preferred subsidiary to structure NMTC projects. ESNMC has created certified subsidiary CDEs as LLCs and has sub-allocated and will sub-allocate its NMTCs to one of these LLCs for each project.

Through the NMTC program, \$54 billion in NMTCs have been awarded to CDEs across the country since inception.

ESNMC received its first allocation of NMTCs in 2009 in the amount of \$30 million. All of this initial allocation has been deployed in two NMTC projects. ESNMC received a second allocation in the amount of \$55 million in the 2015-2016 round of the NMTC program (the "Allocation"). ESNMC has used \$11 million of the Allocation in connection with the National Comedy Center transaction, which closed in April 2017 and an additional \$5.5 million for the SUNY Broome transaction which closed in May 2018.

V. Overall Structure of BGCS NMTC Transaction

The BGCS NMTC transaction will be structured as follows: JPMorgan Chase Bank, N.A., a national banking association, or an affiliate thereof (“Chase”) (the anticipated investor for the Project), will make an approximately \$3,880,400 equity investment (“NMTC Equity”) in a special purpose fund (the “Fund”) wholly owned by Chase and formed for the purpose of the BGCS transaction. BGCS will make an approximately \$8,115,600 loan to the Fund (“Fund Loan”). The source of the Fund Loan will be approximately \$3,000,000 of funds provided by the HCR CIF grants and the remaining amount of the Fund Loan will be sourced from certain grants and donations committed to BGCS.

The proceeds of the Fund Loan and the NMTC Equity will be combined by the Fund and used to make a QEI in the amount of \$6,000,000 in the Subsidiary CDE. ESNMC will sub-allocate \$6,000,000 of NMTC allocation authority to the Subsidiary CDE. The Subsidiary CDE will use the proceeds of the QEI from the Fund to make loans to the Borrower in an aggregate amount equal to approximately \$5,760,000 and to pay a fee to ESNMC in the amount of \$240,000.

In addition to the QEI in the Subsidiary CDE, the Fund will make a QEI in the amount of \$6,000,000 in a subsidiary CDE (the “TCB Sub-CDE”) of The Community Builders CDE LLC (the “TCB Allocatee”). The TCB Allocatee will sub-allocate \$6,000,000 of NMTC allocation authority to the TCB Sub-CDE. The TCB Sub-CDE will use the proceeds of the QEI from the Fund to make loans to the Borrower in an aggregate amount equal to approximately \$5,760,000 and to pay a fee to the TCB Allocatee in the amount of \$240,000.

As previously described, the balance of funding of approximately \$497,353 for the Project will be provided directly as a contribution by BGCS.

Borrower, a single purpose entity created to own and build the project, will be a not-for-profit entity with an independent Board of Directors. This entity will control the real estate and be responsible for the construction and development of the Project. The Borrower will lease the Project to BGCS and BGCS will operate the Project as a Youth Development Center.

Chase will require the Subsidiary CDE and its managing member, ESNMC, to indemnify Chase from the recapture or disallowance of the NMTC caused by acts or omissions of the Subsidiary CDE, so that Chase will be made whole (subject to any caps that may be negotiated) in respect to its investment even if the NMTCs are lost or recaptured.

Notwithstanding the foregoing, the structure of the transaction is still under discussion and may be affected by receipt of additional documentation and further evaluation by the transaction parties. In addition, due to timing and other considerations, ESNMC may choose to close initially with Chase to fund the QEI into the Subsidiary CDE, and then close the loans to the Borrower at a later time when all underwriting and due diligence requirements with respect to the Project have been satisfied.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned business enterprises (MWBES) and service disabled veteran owned businesses (SDVOBs) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed the Project and has determined that MWBE and SDVOB participation goals need not be applied to this Project.

VII. Environmental Review

The City of Schenectady, as lead agency, has completed an environmental review of the proposed Project pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the Project to be an Unlisted Action, which would not have a significant adverse effect on the environment. The lead agency issued a Negative Declaration on May 29, 2018. ESD staff on behalf of ESNMC 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.

VIII. Requested Actions

The Directors are being asked to adopt, subject to the requirements of Section 16(2) of the UDC Act, the herein described General Project Plan ("GPP"), and to make a sub-allocation of up to Six Million Dollars (\$6,000,000) from the Allocation for the purposes set forth in the GPP. The Directors are also being asked to delegate to one or more authorized officers of ESNMC, acting in its own capacity, or as managing member of the Subsidiary CDE, the authority to determine the terms of the NMTC transaction documents and to execute such NMTC transaction documents on behalf of ESNMC and the Subsidiary CDE in connection with the closing of the NMTC transaction.

IX. Additional Submissions to Directors

Resolutions
New York State Map

August 8, 2018

EMPIRE STATE NEW MARKET CORPORATION – Schenectady, NY (Capital District Region – Schenectady County) – Boys & Girls Club of Schenectady (the “Project”) – New Markets Tax Credit Sub-Allocation – Authorization to Adopt the Proposed General Project Plan (the “GPP”); Authorization to Sub-Allocate New Markets Tax Credits (“NMTCs”) and to Take Related Actions; Authorization to Perform Certain Acts in Connection with the Sub-Allocation of NMTCs to ESNMC Subsidiary CDE VI, LLC (the "Subsidiary CDE") and the Closing of the NMTC Transaction and to Take Related Actions; Determination of No Significant Effect on the Environment

WHEREAS, Empire State New Market Corporation, a New York corporation (the “Corporation”), has been certified by the Community Development Financial Institutions Fund (the "CDFI Fund") as a "qualified community development entity" (a "CDE"), as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations and the related guidance, and the Corporation has entered into that certain Allocation Agreement dated effective as of February 13, 2017, as amended by that certain letter amendment effective as of October 4, 2017 (collectively, the “Allocation Agreement”), with the CDFI Fund in connection with an allocation of NMTCs under Section 45D of the Code in the amount of \$55,000,000 (the “Allocation”);

WHEREAS, the Corporation desires to sub-allocate to ESNMC Subsidiary CDE VI, LLC, a New York limited liability company (the “Subsidiary CDE”), up to \$6,000,000 in NMTC authority from the Corporation's Allocation (the "Sub-Allocation") in connection with the proposed loan by the Subsidiary CDE to a to be formed not-for-profit corporation (the “Borrower”) that will serve as a supporting organization for the Boys & Girls Club of Schenectady, Inc., and such Borrower will use the proceeds of the loan in connection with the construction and development of the Youth Development Center in Schenectady, New York (the “Project”) as described in the GPP;

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

RESOLVED, the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to cause the Corporation to make to the Subsidiary CDE, a Sub-Allocation of up to Six Million Dollars (\$6,000,000) from the Allocation, for the purposes of making NMTC financing available to the Project described in the GPP, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President of the Corporation or his designee(s) may deem appropriate, and be it further

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

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation acting in its own capacity, or as managing member of the Subsidiary CDE, to negotiate, issue, execute and deliver any and all transaction documents and instruments, including but not limited to, operating agreement(s), loan and security agreements, indemnity agreement(s) fee agreements, asset management agreements, bank accounts, account control agreements, disbursement agreements, and any other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications (collectively , the "Transaction Documents"), and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions including such modifications to the terms of the transaction as he or she may deem necessary or appropriate and reasonably consistent with the GPP. Any actions previously taken by the Corporation in furtherance of the GPP are hereby ratified and approved.

RESOLVED, that based on the environmental review of the proposed project conducted by the City of Schenectady, as lead agency, 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, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Statewide – Entrepreneurial Assistance Program (“EAP”)
-Training and Technical Assistance Grants

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

I. Project Summary

Grantees: Eight New York State Entrepreneurial Assistance Program Centers (the “EAP Centers” or the “Centers”) - see attached Schedule A.

ESD* Investment: Grants totaling up to \$611,536 will be awarded to eligible not-for-profit corporations and community colleges.

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

Project Locations: See attached Schedule A (8).

Proposed Projects: To support the ongoing operations of 8 EAP Centers.

Regional Council: The Regional Councils have been made aware of its respective items.

Anticipated Entrepreneurial Assistance Program (“EAP”)

Appropriation

Sources:

II. Project Descriptions

A. Background

The Omnibus Economic Development Law of 1987 authorized the Department of Economic Development d/b/a Empire State Development (“ESD”), through the Entrepreneurial Assistance Program (“EAP” or the “Program”), to issue contracts to not-for-profit corporations, community colleges and boards of cooperative educational services for the development of EAP Centers.

Encouraging the formation and growth of small businesses is an important strategic goal of New York State. Effective EAP programs provide intensive, community-based training, technical assistance and other related services to small business owners or entrepreneurs, particularly minorities and women, to stimulate new business development and to strengthen businesses in the early stages of development (1-5 years). Such assistance is especially important in economically distressed areas where high levels of unemployment and declining infrastructure further limit the ability for these young businesses to develop. Effective programs are built on a working knowledge of the needs and resources of a community and its region.

During the 2016-17 contract year the Program provided services to 1,733 clients who either started, retained or expanded over 1,060 businesses, increased sales by \$46 million, secured \$11 million in financing, increased employment by 639 and helped retain 1,826 employees.

In addition to its regular assistance to the small business community the EAP also provided "Starting Your Own Business" seminars to 698 new Americans in its partnership with the Office of New American Centers located throughout NYS; assisted 146 firms to apply for NYS MWBE certification; and enrolled 337 new entrepreneurs to Business Mentor NY.

B. The Project

There are currently twenty-four EAP Centers located throughout the state. These Centers provide comprehensive assistance in enterprise development to owners and prospective owners of small businesses, with a particular interest in serving minority group members, women, dislocated workers, and individuals with special needs.

Centers funded by ESD are required to provide the following:

1. One sixty-hour entrepreneurship training course supplemented by intensive technical assistance to help new entrepreneurs complete business plans and to help them develop viable businesses. Technical assistance encompasses refinement of business concepts, break-even analysis and financial management, marketing plans, and market development.
2. Enterprise expansion assistance for existing but still young businesses (under five years old). Centers assist these firms to make the transition into small-growth companies. Enterprise expansion technical assistance includes the following: working capital and cash-flow management; general management skills; new market development; hiring and managing employees; managing growth; and accessing credit and capital.

The 2018-2019 New York State budget includes a state allocation of \$1,764,000 for the EAP. When added to an additional \$70,608 available from previous funding, the total budget for this fiscal year becomes \$1,834,608. Twenty-four of the EAP Centers will be funded with grants of \$76,442 for 12 month contracts. EAP Centers are required to match these grants one-to-one

(50% or more in cash and no more than 50% in-kind). This presentation seeks authorization to grant the balance of funding to 8 of the remaining 24 EAP Centers a total of \$611,536.

The contract period for seven (7) EAP centers is June 1, 2018 through May 31, 2019 and for one (1) EAP center is July 1, 2018 through June 30, 2019.

EAP Centers will use allocated funds for expenses related to training and technical assistance as outlined above; operating expenses including, but not limited to, salaries of EAP coordinators and additional support staff; promotional and marketing materials; travel; classroom materials, and supplies.

EAP Centers are required to provide reports relating to their specific achievements during the contract period. In addition, financial reports and documentation of expenditures will be required for disbursement of funds. ESD will verify that each Center is in compliance with program regulations and guidelines and is following all existing contractual arrangements by reviewing, verifying and approving the required documentation, including financial reports and payment requests.

ESD will enter into an agreement with each center that will stipulate the manner in which program funds will be disbursed.

ESD Project Nos.: 131,919; 131,921; 131,931; 131,932; 131,933; 131,936; 131,937;
131,938

Project Team:	Program Director	Bette Yee
	Environmental	Rachel Shatz

C. Financial Terms and Conditions

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

IV. Statutory Basis

The Entrepreneurial Assistance Program is authorized in the 2018-2019 New York State budget and Article 9 of the Economic Development Law. No residential relocation is required as there are no families or individuals residing on the sites.

V. Environmental Review

ESD staff has determined that the approval of the Entrepreneurial Assistance Program grants does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of

Environmental Conservation. No further environmental review is required in connection with the action.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

Entrepreneurial Assistance Program - Regional Listing

Schedules A-1 – A-8

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed Six-Hundred Eleven Thousand, Five Hundred Thirty-Six dollars (\$611,536) from the Entrepreneurial Assistance Program for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Entrepreneurial Assistance Program

Regional Listing

1. Business Outreach Center, Inc. (New York City Region - Queens County (Jamaica/Corona))
2. CAMBA (New York City Region - Kings County)
3. South Bronx Overall Economic Development Corporation (New York City Region –Bronx County)
4. South Bronx Overall Economic Development Corporation (New York City Region – Bronx County (South Bronx))
5. Suffolk County Community College (Long Island Region - Suffolk County)
6. Washington Heights Inwood Development Corporation (New York City Region –New York County)
7. Women’s Enterprise Development Center Inc. (Mid-Hudson Region – Westchester County)
8. Women’s Enterprise Development Center Inc. (Mid-Hudson Region – Poughkeepsie Center)

SCHEDULE A-1

Business Outreach Center Network, Inc.
Entrepreneurial Assistance Program, (131,919)

- Grantee:** Business Outreach Center Network, Inc.
- ESD Investment:** A grant of up to \$76,442 will be awarded to cover operating expenses, training and technical assistance from June 1, 2018 through May 31, 2019.
- Project Location:**
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

Background:

Company History – The Business Outreach Center (BOC) Network is a not-for-profit membership organization dedicated to small business development and community-based job creation. BOC’s mission is to improve the economic prospects of traditionally underserved groups, with a focus on low-and moderate-income entrepreneurs and their communities, and thereby create genuinely brighter futures.

Ownership – Business Outreach Center is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – The Business Outreach Center Network, Inc. was awarded its first EAP grant in 2016. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, approximately \$142,895 of EAP grant funds have been disbursed to the Business Outreach Center Network, Inc.

The Project:

Project Completion – May 31, 2019

Activity – The EAP center will implement a 60-hour training program that will help participants learn the business skills to open or expand their businesses. Goals include client orientation, 60 hour training, technical assistance, and preparation of business action plans and other services to help clients achieve business success.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Business Outreach Center Network, Inc.

Financial Uses			Financial Sources		
Project #131,919 BOC EAP Budget FY18/19	Project Amount	% Uses	ESD Grant	Cash Match \$38,221 Minimum	In-Kind Match
Salaries /Fringe	\$131,031	86%	\$61,371	\$69,660	\$0
Contractual Services/Curriculum/ Staff Development	5,200	3%	5,200	0	0
Project Expenses	16,653	11%	9,871	6,782	0
Total Project Costs	\$152,884	100%	\$76,442	\$76,442	\$0
% of Financial Sources		100%	50%	50%	0%

Grantee Contact(s): Nancy Carin, Executive Director
 Telephone: (718) 624-9115 ext.1011
 Fax: (718) 246-1881
 E-Mail: ncarin@bocnet.org

Project Team: Program Director Environmental Bette Yee Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$38,221) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$38,221) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$7,642) until all of the tasks and reports have been completed to ESD’s satisfaction.

SCHEDULE A-2

CAMBA, Inc.
Entrepreneurial Assistance Program, (131,921)

- Grantee:** CAMBA, Inc.
- ESD Investment:** A grant of up to \$76,442 will be awarded to cover operating expenses, training and technical assistance from June 1, 2018 through May 31, 2019.
- Project Location:** 2244 Church Avenue – 4th Floor, Brooklyn, NY 11226
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

Background:

Company History – CAMBA’s mission is to provide services that connect people with opportunities to enhance their quality of life. Since 1995 CAMBA Small Business Services has successfully operated an Entrepreneurial Assistance Program Center.

Ownership – CAMBA, Inc. is a New York State 501(c) 3 not-for-profit corporation.

ESD Involvement – New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – CAMBA, Inc. was awarded its first grant in 1995. EAP grants are based on the availability of funds and have ranged from \$35,000 and \$99,593 since the program’s inception. To date, CAMBA, Inc. has received approximately \$1,131,324 in EAP grant funds.

The Project:

Completion – May 31, 2019

Activity – CAMBA’s EAP center provides entrepreneurial training and technical assistance to low-income entrepreneurs in business formation for new enterprises and business expansion for existing businesses. CAMBA will provide a 10-week 60-hour business training course, with a focus on business plan development. In addition participants will receive technical assistance, loan packaging and assistance with acquiring financing.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget CAMBA, Inc.

Financial Uses			Financial Sources		
Project ID: 131,921 CAMBA EAP Budget FY18/19	Project Amount	% Uses	ESD Grant	Cash Match \$38,221 Minimum	In-Kind Match
Salaries /Fringe	\$143,521	94%	\$67,079	\$76,442	\$0
Contractual Services/Curriculum/ Staff Development	2,500	2%	2,500	0	0
Project Expenses	6,863	4%	6,863	0	0
Total Project Costs	\$152,884	100%	\$76,442	\$76,442	\$0
% of Financial Sources		100%	50%	50%	0%

Grantee Contact: Joanne M. Oplustil, Executive Director
 Telephone: (718)287-2600
 Fax: (718)856-4647
 E-Mail: joanneO@camba.org

Project Team: Program Director Bette Yee
 Environmental Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$38,221) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$38,221) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$7,642) until all of the tasks and reports have been completed to ESD’s satisfaction.

SCHEDULE A-3

South Bronx Overall Economic Development Corporation
Entrepreneurial Assistance Program, (131,931)

- Grant Recipient:** South Bronx Overall Economic Development Corp. (“SoBRO”)
- ESD Investment:** A grant of up to \$76,442 will be awarded to cover operating expenses, training and technical assistance from June 1, 2018 through May 31, 2019.
- Project Location:** 555 Bergen Avenue, Bronx, NY 10455
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

Background:

Company History – SoBRO’s mission is to enhance the quality of life in the South Bronx by strengthening businesses and creating and implementing innovative economic, housing, educational, and career development programs for youth and adults. SoBRO was established in 1972 to reverse the flight of businesses and jobs from the South Bronx. Recognizing that rebuilding a community had to be a multifaceted effort that required replacing vacant lots with businesses and housing, addressing poverty by creating jobs and training people for those jobs, and ensuring a brighter future for the community’s young people. SoBRO’s programming has expanded over the years to meet the growing needs of this Bronx community, in particular assisting those microenterprises in the South Bronx for the past 20 years through its Entrepreneurial Development Program. The problems facing aspiring micro-entrepreneurs in the community are twofold: lack of entrepreneurial know-how and availability of credit.

Ownership – South Bronx Overall Economic Development Corp. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – SoBRO was awarded its first grant in 1996 EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program’s inception. To date, SoBRO has received approximately \$1,523,998 in EAP grant funds.

The Project:

Completion - May 31, 2019

Activity – EAP fills a critical void in the entrepreneurial development of the Bronx; SoBRO is strategically located in the heart of the South Bronx at the core of the NYC Empowerment Zone and the State’s Empire Zone. The program delivers quality training and assistance designed to cater to the distinct needs of clients in this high needs area.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget South Bronx Overall Economic Development Corporation

Financial Uses			Financial Sources		
Project ID: 131,931 SoBRO EAP Budget FY18/19	Project Amount	% Uses	ESD Grant	Cash Match \$38,221 Minimum	In-Kind Match
Salaries /Fringe	\$100,799	66%	\$54,366	\$29,520	\$16,913
Contractual Services/Curriculum/ Staff Development	11,274	7%	5,876	3,578	1,820
Project Expenses	40,831	27%	16,200	15,832	8,799
Total Project Costs	\$152,904	100%	\$76,442	\$48,930	\$27,532
% of Financial Sources		100%	50%	32%	18%

Grantee Contact: Johanna DeJesus, Senior Vice President of Program & Operations
 Telephone: (718) 732-7610
 Fax: (718) 292-3115
 E-Mail: jdejesus@sobro.org

Project Team: Program Director Bette Yee
 Environmental Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$38,221) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$38,221) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$7,642) until all of the tasks and reports have been completed to ESD’s satisfaction

SCHEDULE A-4

SoBRO Venture
Entrepreneurial Assistance Program Center, (131,932)

- Grant Recipient:** South Bronx Overall Economic Development Corporation
- ESD Investment:** A grant of up to \$76,442 will be awarded to cover operating expenses, training and technical assistance from June 1, 2018 through May 31, 2019.
- Project Location:** 199 Lincoln Avenue, Bronx New York 10454
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

Background:

Company History – The SoBRO Venture Center Entrepreneurial Development Program successfully assists microenterprises in the South Bronx. Established in 2016, the program is an offset of the EAP Center at the SoBRO headquarters. The SoBRO Venture Center Entrepreneurial Development Program focuses on providing services in Spanish to Spanish-speaking emerging entrepreneurs and established business owners. This premier program is the first of its kind in the borough and is the most culturally-accessible and comprehensive entre to small business ownership for Spanish-speaking New Yorkers, many of whom are immigrants. In addition to the entrepreneurial curriculum of the course, the SoBRO EAP provides students access to all of our organizations programs and services.

Ownership – South Bronx Overall Economic Development Corp. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – SoBRO Venture was awarded its first grant in 2016 EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program’s inception. To date, SoBRO has received approximately \$142,895 in EAP grant funds.

The Project:

Completion - May 31, 2019

Activity – EAP fills a critical void in the entrepreneurial development of the Bronx; SoBRO is strategically located in the heart of the South Bronx at the core of the NYC Empowerment Zone and the State’s Empire Zone. The program delivers quality training and assistance designed to cater to the distinct needs of clients in this high needs area.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget SoBRO Venture

Financial Uses			Financial Sources		
Project ID: 131,932 SoBRO VENTURE EAP Budget FY18/19	Project Amount	% Uses	ESD Grant	Cash Match \$38,221 Minimum	In-Kind Match
Salaries /Fringe	\$102,767	67%	\$56,334	\$29,520	\$16,913
Contractual Services/Curriculum/ Staff Development	9,334	6%	3,936	3,578	1,820
Project Expenses	40,803	27%	16,172	15,832	8,799
Total Project Costs	\$152,904	100%	\$76,442	\$48,930	\$27,532
% of Financial Sources		100%	50%	32%	18%

Grantee Contact: Johanna DeJesus, Senior Vice President of Program & Operations
 Telephone: (718) 732-7610
 Fax: (718) 292-3115
 E-Mail: jdejesus@sobro.org

Project Team: Program Director Environmental Bette Yee Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$38,221) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$38,221) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$7,642) until all of the tasks and reports have been completed to ESD’s satisfaction.

SCHEDULE A-5

Suffolk County Community College
Entrepreneurial Assistance Program, (131,933)

- Grant Recipient:** Suffolk County Community College (“SCCC”)
- ESD Investment:** A grant of up to \$76,442 will be awarded to cover operating expenses, training and technical assistance from July 1, 2018 through June 30, 2019.
- Project Location:** Sally Ann Slacke Building, Michael J. Grant Campus
1001 Crooked Hill Road, Brentwood NY 11717
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Long Island Regional Economic Development Council initiatives to strengthen the economic activity and competitiveness of businesses located in the region.

Background:

Company History – Suffolk County Community College is a two-year unit of the State University of New York (SUNY). It is the largest community college in the SUNY system, enrolling 26,719 students. It offers 70 degree and certificate programs. There are three (3) campuses and two downtown satellite educational centers. The campuses are Michael J Grant in Brentwood, Ammerman in Selden and the Eastern Campus in Riverhead. The downtown satellite locations are in Sayville, and Riverhead.

Ownership – Suffolk Community College is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Suffolk Community College was awarded its first grant in 1994. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program’s inception. To date, SCCC has received approximately \$968,045 in EAP grant funds.

The Project:

Completion - June 30, 2019

Activity – EAP is a resource for Suffolk County residents interested in starting and/or expanding their businesses. SCCC conducts several programs geared towards empowering clients with information in creating and developing a business enterprise.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Suffolk County Community College

Financial Uses			Financial Sources		
Project ID: 131,933 SCCC EAP Budget FY18/19	Project Amount	% Uses	ESD Grant	Cash Match \$38,221 Minimum	In-Kind Match
Salaries /Fringe	\$111,413	73%	\$73,192	\$38,221	\$0
Contractual Services/Curriculum/ Staff Development	1,200	1%	1,200	0	0
Project Expenses	40,271	26%	2,050	0	38,221
Total Project Costs	\$152,884	100%	\$76,442	\$38,221	\$38,221
% of Financial Sources		100%	50%	25%	25%

Grantee Contact: Dr. Daphne M. Gordon, Director
Telephone: (631) 851-6206
Fax: (631) 851-6222
E-Mail: gordond@suffolk.edu

Project Team: Program Director: Bette Yee
Environmental: Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$38,221) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$38,221) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$7,642) until all of the tasks and reports have been completed to ESD’s satisfaction.

SCHEDULE A-6

Washington Heights and Inwood Development Corporation Entrepreneurial Assistance Program, (131,936)

- Grant Recipient:** Washington Heights and Inwood Development Corporation
- ESD Investment:** A grant of up to \$76,442 will be awarded to cover operating expenses, training and technical assistance from June 1, 2018 through May 31, 2019.
- Project Location:** 57 Wadsworth Avenue, New York NY 10033
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State’s Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the New York City Regional Economic Development Council with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

Background:

Company History – Washington Heights and Inwood Development Corporation was incorporated in 1978 and has provided business development services since its inception. It provides both classroom and one-on-business development assistance, legal assistance and business loans of up to \$50,000 to businesses in Upper Manhattan and the Bronx.

Ownership – Washington Heights and Inwood Development Corporation is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State’s Entrepreneurial Assistance Program (“EAP”) was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - Washington Heights and Inwood Development Corporation was awarded its first grant in 2008. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program’s inception. To date, Washington Heights and Inwood Development Corporation has received approximately \$788,845 in EAP grant funds.

The Project:

Completion – May 31, 2019

Activity – EAP will help build and strengthen commercial activity by providing local minority and/or women entrepreneurs with intensive business assistance and training. The Program will provide businesses and entrepreneurs with the tools necessary to allow them to start, sustain and/or expand their businesses, fueling local economic development, increasing local business equity and creating job growth. The target audience consists of minorities and women, including recent immigrants and limited-English speaking participants.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Program Budget Washington Heights and Inwood Development Corporation

Financial Uses			Financial Sources		
Project ID: 131,936 WHDC EAP Budget FY18/19	Project Amount	% Uses	ESD Grant	Cash Match \$38,221 Minimum	In-Kind Match
Salaries /Fringe	\$116,445	76%	\$74,445	\$42,000	\$0
Contractual Services/Curriculum/ Staff Development	11,897	8%	1,497	2,400	8,000
Project Expenses	24,542	16%	500	24,042	0
Total Project Costs	\$152,884	100%	\$76,442	\$68,442	\$8,000
% of Financial Sources		100%	50%	45%	5%

Grantee Contact: Dennis C. Reeder, Executive Director
 Telephone: (212) 795-1600
 Fax: (212) 781-4051
 E-Mail: whidc@aol.com

Project Team: Program Director Environmental Bette Yee Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$38,221) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$38,221) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$7,642) until all of the tasks and reports have been completed to ESD’s satisfaction.

SCHEDULE A-7

Women's Enterprise Development Center Inc. (Westchester Center)
Entrepreneurial Assistance Program, (131,937)

- Grant Recipient:** Women's Enterprise Development Center Inc.
- ESD Investment:** A grant of up to \$76,442 will be awarded to cover operating expenses, training and technical assistance from June 1, 2018 through May 31, 2019.
- Project Location:** Office of Economic Development, 3 Neptune Road
Poughkeepsie, NY 12601
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Mid-Hudson Regional Economic Development Council goals to promote entrepreneurship, start-ups, and small businesses through a variety of measures that include business training, technical assistance, and access to capital.

Background:

Company History – Women's Enterprise Development Center Inc. began in 1997 as a pilot program with 12 students in a 15-week entrepreneurial training program in Yonkers. In 2003, it was designated an SBA women's business center for Westchester County and the Lower Hudson Valley. It is the only organization in the area that provides entrepreneurs with the entire range of vital small business services; from helping clients develop a business idea to helping them maintain and grow a successful enterprise.

Ownership – Women's Enterprise Development Center Inc. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support Women's Enterprise Development Center Inc. was awarded its first grant in 2008. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program's inception. To date, Women's Enterprise Development Center Inc. (Poughkeepsie Center) has received approximately \$775,845 in EAP grant funds.

The Project:

Completion – May 31, 2019

Activity – The EAP training model consists of in-depth multi-course training program covering the full range of entrepreneurial development issues at all stages of business development. The program is offered in both English.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Women’s Enterprise Development Center Inc. (Westchester Center)

Financial Uses			Financial Sources		
Project ID: 131,937 WEDC WS EAP Budget FY18/19	Project Amount	% Uses	ESD Grant	Cash Match \$38,221 Minimum	In-Kind Match
Salaries /Fringe	\$111,873	73%	\$57,931	\$53,942	\$0
Contractual Services/Curriculum/ Staff Development	24,800	16%	12,300	12,500	0
Project Expenses	16,211	11%	6,211	10,000	0
Total Project Costs	\$152,884	100%	\$76,442	\$76,442	\$0
% of Financial Sources		100%	50%	50%	0%

Grantee Contact: Anne Janiak, Executive Director
Telephone: (914) 948-6098 ext. 12
Fax: (914) 470-2972
E-Mail: ajaniak@westchester.org

Barbara Venturi, Chief Operating Officer
Telephone: (914) 948-6098 Ext. 11
Fax: (914) 470-2972
E-mail: bventuri@wedcbiz.org

Project Team: Program Director Bette Yee
Environmental Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$38,221) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$38,221) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$7,642) until all of the tasks and reports have been completed to ESD’s satisfaction.

SCHEDULE A-8

Women's Enterprise Development Center Inc. (Poughkeepsie Center)
Entrepreneurial Assistance Program, (131,938)

- Grant Recipient:** Women's Enterprise Development Center Inc.
- ESD Investment:** A grant of up to \$76,442 will be awarded to cover operating expenses, training and technical assistance from June 1, 2018 through May 31, 2019.
- Project Location:** 1133 Westchester Avenue, Suite N-220, White Plains NY 10604
- Proposed Project:** Business Training and Technical Assistance
- Regional Council:** New York State's Entrepreneurial Assistance Program has provided business services for almost 3 decades in the region and is poised to assist the Mid-Hudson Regional Economic Development Council goals to promote entrepreneurship, start-ups, and small businesses through a variety of measures that include business training, technical assistance, and access to capital.

Background:

Company History – Women's Enterprise Development Center Inc. began in 1997 as a pilot program with 12 students in a 15-week entrepreneurial training program in Yonkers. In 2003, it was designated an SBA women's business center for Westchester County and the Lower Hudson Valley. It is the only organization in the area that provides entrepreneurs with the entire range of vital small business services; from helping clients develop a business idea to helping them maintain and grow a successful enterprise.

Ownership – Women's Enterprise Development Center Inc. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – In 2015 Women's Enterprise Development Center Inc. expanded its reach to other areas of the Mid-Hudson Region including Dutchess, Orange, Sullivan, Ulster and Putnam counties under a new grant. EAP grants are based on the availability of funds and have ranged from \$35,000 to \$99,593 since the program's inception. To date, Women's Enterprise Development Center Inc. (Westchester Center) has received approximately \$250,545 in EAP grant funds.

The Project:

Completion – May 31, 2019

Activity – The EAP training model consists of in-depth multi-course training program covering the full range of entrepreneurial development issues at all stages of business development. The program is offered in both English and Spanish.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

EAP Project Budget Women’s Enterprise Development Center Inc. (Poughkeepsie Center)

Financial Uses			Financial Sources		
Project ID: 131,938 WEDC EAP Budget FY18/19	Project Amount	% Uses	ESD Grant	Cash Match \$38,221 Minimum	In-Kind Match
Salaries /Fringe	\$119,413	78%	\$67,971	\$51,442	\$0
Contractual Services/Curriculum/ Staff Development	9,700	6%	4,700	5,000	\$0
Project Expenses	23,771	16%	3,771	0	\$20,000
Total Project Costs	\$152,884	100%	\$76,442	\$56,442	\$20,000
	% of Financial Sources	100%	50%	37%	13%

Grantee Contact: Anne Janiak, Executive Director
 Telephone: (914) 948-6098 ext. 12
 Fax: (914) 470-2972
 E-Mail: ajaniak@westchester.org

Project Team: Program Director: Bette Yee
 Environmental: Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will match the EAP grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.
3. An advance of up to 50% of the ESD Grant (\$38,221) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the ESD Grant (\$38,221) will be disbursed once ESD receives all supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant (\$7,642) until all of the tasks and reports have been completed to ESD's satisfaction.

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

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

REQUEST FOR: Authorization of an Investment of NYSIVCF Funds in ENB Therapeutics

I. Project Summary

Awardees: ENB Therapeutics (the “Company”)

Amount: Up to \$1,700,000 in preferred equity allocated in 3 tranches

Project Location: New York, NY

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

ESD Project No.: TBD

Project Team:

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

II. Background

Pursuant to its authorizing legislation, the NYSIVCF may invest up to \$100 million in eligible seed and early stage small businesses located in, or that in writing agree to be located in, New York State that (i) have the potential to generate additional economic activity in the State and (ii) are working in emerging technology fields or are achieving, or have the potential to achieve, technological advances, innovation, transformation or development. The target portfolio companies demonstrate a potential for substantial growth and job development.

The NYSIVCF also provides funding for the Technology Commercialization fund of funds supporting pre-seed investment opportunities throughout the State. The NYSIVCF is part of a larger equity investment strategy that includes the Innovate NY Fund, a \$45 million fund of funds that invests in seed stage equity opportunities.

Past State Support for ENB Therapeutics

ENB Therapeutics received \$100,000 investment from Accelerate New York, a fund manager for New York Venture’s Technology Commercialization Fund.

Project Status

ENB Therapeutics is a minority and-woman-led New York City-based biotechnology company that is developing a therapeutic that reverses resistance to cancer immunotherapy. Cancer immunotherapy boosts the natural capacity of immune cells to fight cancer. Immunotherapies have shown unprecedented long-lasting, responses in such cancers as melanoma and Non-Small Cell Lung Cancer (NSCLC). Cancer immunotherapy represents a genuine advance in attaining significant and sustained response rates. However, approximately 60% of patients treated with immunotherapy fail to respond to treatment and are left with few other therapeutic options. ENB’s drug can help to unlock the full therapeutic potential of cancer immunotherapy by enabling key immune cells to infiltrate and attack tumors thereby, eradicating tumor cells and prolonging patient survival. Dr. Sumayah Jamal, MD, PhD from New York University founded the Company.

In order to fund its activities over the next 24-36 months, the Company is raising up to \$7,000,000 in preferred equity in three tranches, at a pre-money valuation of \$7,000,000. The NYSIVCF will invest up to \$1,700,000 allocated in three separate tranches (as outlined below) into this investment round with the balance being provided by private sector investors. The first tranche of \$121,428 will be paid upon closing. The subsequent two tranches of \$801,429 and \$777,143 will be allocated when predetermined pre-clinical and clinical milestones have been reached.

Tranche	Tranche Size	NYSIVCF Investment
Tranche 1	\$500K	\$121,428
Tranche 2	\$3.3M	\$801,429
Tranche 3	\$3.2M	\$777,143

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

III. Statutory Basis

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

IV. Environmental Review

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

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses ("MWBEs") in the performance of ESD contracts. The ESD Office of Contractor and Supplier Diversity ("OCSD") has determined that it is not practical or feasible to assign MWBE contract goals to expenditures made under this program. As such, participation goals will not be established or required.

VI. Service-Disabled Veteran-Owned Businesses

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

Additional Submissions to Directors

Resolutions

Schedule A – Summary of the Investment Terms

August 16, 2018

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the New York State Innovation Venture Capital Fund, the Corporation is authorized to make an investment, in an amount not to exceed \$1,700,000 in ENB Therapeutics (the "Company") and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; and be it further

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

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

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

* * *

Schedule A
New York State Innovation Venture Capital Fund:
ENB Therapeutics (the "Company")
Summary of Series A Preferred Financing Terms
ESD Board of Directors' Meeting
August 16, 2018

<u>Type of Security:</u>	Series A Preferred Stock (the "Series A Preferred")
<u>Investment Amount:</u>	The New York State Innovation Venture Capital Fund ("NYSIVC Fund") will invest up to \$1,700,000, allocated in three tranches. The first tranche of \$121,428 will be invested upon closing. The subsequent two tranches of \$801,429 and \$777,143 will be invested when predetermined preclinical and clinical milestones have been reached.
<u>Principal Terms of the Series A Preferred:</u>	<p><u>Liquidation Preference:</u> In the event of any liquidation or winding up of the Company, all holders of Series A Preferred shall be entitled to receive, in preference to the holders of the Common Stock, a per share amount equal to the Series A Original Purchase Price, plus any declared but unpaid dividends (the "Liquidation Preference"). After the payment of the Liquidation Preference to the holders of the Series A Preferred (if not previously converted), the remaining distributable proceeds shall be distributed to the holders of the Series A preferred in accordance with the Company's Certificate of Incorporation and thereafter ratably to the holders of the Common Stock. A merger, acquisition, sale of voting control or sale of substantially all of the assets or shares of the Company in which the shareholders of the Company do not own a majority of the outstanding shares of the surviving corporation shall be deemed to be a liquidation.</p> <p><u>Conversion:</u> The holders of the Series A Preferred shall have the right to convert the Series A Preferred, at any time, into Common Stock, initially at the conversion rate of 1 to 1. The Series A Preferred shall be automatically converted into Common Stock, at the then applicable conversion price, (i) upon the consent of the holders of at least a majority of the outstanding Series A Preferred or (ii) upon the closing of a firmly underwritten public offering of shares of Common Stock of the Company for a total offering of not less than \$50 million (before deduction of underwriters commissions and expenses) (a "Qualified IPO").</p>

Protective Provisions: Consent of the holders of at least a simple majority of the shares held by the Series A Preferred Investors shall be required for any action (by amendment, merger, reclassification, recapitalization, or otherwise) that (i) alters or changes the rights, preferences or privileges of the Series A Preferred, (ii) increases or decreases the authorized number of shares of Common or Preferred Stock, or any series of Preferred, (iii) creates (by reclassification or otherwise) any new class or series of shares having rights, preferences or privileges senior to or on a parity with the Series A Preferred, (iv) results in the redemption or repurchase of any shares of Common Stock (other than pursuant to equity incentive agreements with service providers giving the Company the right to repurchase shares upon the termination of services), (v) results in any merger, sale, acquisition, liquidation, dissolution or winding up of the Company, (vi) amends or waives any provision of the Company's Certificate of Incorporation, (vii) increases or decreases the authorized size of the Board, or (viii) results in the payment or declaration of any dividend on any shares of Common or Preferred Stock. Notwithstanding the foregoing, in the event that the Tranche 2 Closing does not occur within 45 days of the Tranche 1 Milestones having been met and declared by the Board, then: (A) (vii) above shall expire; and (B) in the event of a consent required pursuant to (ii), (iii), (iv), (vi) or (viii) above, the separate vote or written consent of the Series A Preferred shall not be required if such action is taken in connection with a bona fide independent third party financing of the Company at fair market value and which impacts all holders of Common Stock proportionally. The Company shall covenant not to (i) engage in service business, other than those ongoing on the date hereof, (ii) enter into any agreement with any party related in any way to the Company or its officers, directors and shareholders, other than those in the normal course of business or as approved by the Company's Board of Directors or under any existing agreements, (iii) spend more than \$100,000 on any single item or series of related items, or (iv) incur any debt in excess of \$100,000 or guarantee any liability or make any loan (other than advances for travel expenses), without the prior approval of the Board. The number of authorized shares of Common Stock may be increased or decreased by the affirmative vote of the holders of a majority of the Preferred and Common Stock of the Company (voting

	together as a single class on an as if converted to common stock basis), subject to the protective provisions set forth above.
<u>Use of Proceeds:</u>	The funds will be used finance the Company's growth strategy.

Institutional Co-Investors:

1. Life Sciences Investment Firm: A leading life sciences focused venture capital firm that invests in early-stage therapeutics companies.
2. Life Sciences Investment firm: A leading life sciences focused venture capital firm that invests in early-stage novel life science technologies. The firm has had 12 successful exits to date.

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

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

REQUEST FOR: Authorization of an Investment of NYSIVCF Funds in Kinolved, Inc.

I. Project Summary

Awardees: Kinolved, Inc. (the “Company”)

Amount: Up to \$500,000 in convertible debt

Project Location: New York, NY

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

ESD Project No.: TBD

Project Team:

Origination	Brian Keil
Project Management	Sharon Rutter
Legal	Craig Alfred
Contractor & Supplier Diversity	N/A
Environmental	Soo Kang

II. Background

Pursuant to the Authorizing Legislation, the New York State Innovation Venture Capital Fund may invest up to \$100 million in eligible seed and early stage small businesses located in, or that in writing agree to be located in, New York State that (i) have the potential to generate additional economic activity in the State and (ii) are working in emerging technology fields or are achieving, or have the potential to achieve, technological advances, innovation, transformation or development. The target portfolio companies demonstrate a potential for substantial growth and job development, and have the potential to generate additional economic activity in the State.

The NYSIVCF also provides funding for the Technology Commercialization fund of funds supporting the pre-seed investment opportunities throughout the State. The NYSIVCF is part of a larger equity investment strategy that includes the Innovate NY Fund, a \$45 million fund of funds that invests in seed stage equity opportunities.

Past State Support for ENB Therapeutics

Kinvolved received a \$150,000 investment from the Minority- and Women-Owned Business Investment Fund

Project Status

Kinvolved, a NYC based, women-led company, has developed a software application that focuses on increasing student attendance, the most critical indicator of graduation rates, in urban, under-resourced schools. The Company provides school systems with easy-to-use technology and expert services to get every student to school, every day.

Each year, 7 million students miss a month or more of school, and 43% of high school dropouts say they did not graduate because they missed too many school days. There is a national focus on this issue – over 40 states have selected chronic absenteeism as one of five key publicly reported metrics as part of the “Every Student Succeeds Act” (statute that replaces “No Child Left Behind”).

Kinvolved, as do many educators, believes that early detection of absenteeism is key – by sixth grade, chronic absenteeism becomes a leading indicator of a student’s likelihood to drop out of high school.

- Kinvolved provides student attendance tracking and communication software that enables K-12 school staff and care providers to access informative attendance data and to engage families through real-time, translated, two-way text messaging.
- The Company holds community summits and provides training to teachers and school staff to help districts build capacity to implement attendance policies and tools.

The Company targets large, urban school districts. The Company has experienced a 100% renewal rate with schools that they worked with in 2017 and 2018, and a 90% renewal rate for NYC schools. Schools that use Kinvolved’s core product offering have seen dramatic improvements in daily attendance rates and chronic absent rates, with chronic absenteeism down 3% in Kinvolved schools, vs up 11% in peer schools.

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

III. Statutory Basis

In order to attract private sector investment in new research, translate research into marketable products, strengthen university/industry connections, and prepare New York businesses to compete for private-sector venture investment, Laws of New York 2013 Chapter 59 Part JJ (the “Authorizing Legislation”) authorized the New York State Urban Development Corporation d/b/a Empire State Development (“ESD” or the “Corporation”) to establish and administer the New York State Innovation Venture Capital Fund in order to provide critical seed-stage and early-stage funding to incentivize new business formation and growth in the State of New York and facilitate the transition from ideas and research to marketable products.

IV. Environmental Review

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

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses (“MWBEs”) in the performance of ESD contracts. The ESD Office of Contractor and Supplier Diversity (“OCSD”) has determined that it is not practical or feasible to assign MWBE contract goals to expenditures made under this program. As such, participation goals will not be established or required.

VI. SERVICE-DISABLED VETERAN-OWNED BUSINESSES

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

Additional Submissions to Directors

Resolutions

Schedule A – Summary of the Investment Terms

August 16, 2018

New York State Innovation Venture Capital Fund - Authorization of an Investment of NYSIVCF Funds in Kinolved, Inc.

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the New York State Innovation Venture Capital Fund, the Corporation is authorized to make an investment, in an amount not to exceed \$500,000, in Kinolved, Inc. (the "Company"), and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; and be it further

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

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

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

* * *

Schedule A
New York State Innovation Venture Capital Fund:
Kinvolved, Inc. (the "Company")
Summary of Convertible Note Financing Terms
Board of Directors Meeting
August 16, 2018

<u>Type of Security:</u>	Convertible Note (the "Note")
<u>Investment Amount; Use of Proceeds:</u>	Up to a total of \$1,670,000. The funds will be used finance the growth strategy of the Company.
<u>Principal Terms of the Convertible Note:</u>	<p>The Note will contain the following terms:</p> <ul style="list-style-type: none"> • <u>Interest:</u> Interest will accrue on the outstanding principal amount of the note at eight percent per annum, non-compounding. The Company can convert the interest outstanding on the Note into Conversion Equity upon conversion of the Note. • <u>Maturity Date:</u> May 11, 2023. • <u>Conversion:</u> If the Company issues equity securities in a transaction or series of transaction resulting in aggregate gross proceeds to the Company of at least \$800,000 (a "Qualified Financing"), then the Notes and any accrued but unpaid interest there on will automatically convert into the Company's common stock at a price that is the lesser of (i) 80% of the price per unit paid in the most recent qualified financing transaction or (ii) the price per share that would result from a \$4M fully diluted pre-money valuation of the Company. • If the Notes have not previously converted pursuant to a Qualified Financing, then, upon the Maturity Date, holders can elect to convert into common stock at a conversion price equal to the quotient of (i) the outstanding principal amount of the Note plus all accrued and unpaid interest, divided by (ii) 80% of the conversion price per share that would result from a \$3M fully diluted pre-money valuation of the Company. • <u>Prepayment:</u> The Company can only prepay interest with the prior written consent of the holders of the note. • <u>Sale of the Company:</u> If a Qualified Financing has not occurred and the Company elects to consummate a sale of the Company prior to the Maturity Date, than the Note will convert into common stock at a conversion price equal to the quotient of (i) 80% of the proceeds per common share payable in such sale of the Company or (ii) the conversion price per share which would result from a \$4M fully diluted pre-money valuation of the Company.

	<ul style="list-style-type: none">• <u>Pro Rata Participation Rights</u>: Each investor has the right to purchase a pro rate portion of new equity securities offered for sale by the Company.
<u>Rank:</u>	The Note is a general unsecured obligation of the Company, and is subordinate to any senior credit facility, bank debt, or similar loan.

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Contract for Marketing and Promotion Services of the New York State Apple Industry Through the New York Apple Association, Inc.

REQUEST FOR: Authorization to Enter into a Contract for Marketing and Promotion Services of the New York State Apple Industry Relating to the Marketing Order Program; and Authorization to Take Related Actions

CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: New York Apple Association, Inc. (the “Contractor” or “NYAA”)

Scope of Services: Contractor to provide marketing and promotion of the apple industry through seven marketing and promotion plans: (1) *retailer activities*, (2) *consumer activities*, (3) *food service activities*, (4) *U.S. Apple Association Membership activities*, (5) *participate and support U.S. Apple Export Council*, (6) *support industry research*, and (7) *provide information services*

Contract Term: 12 months

Contract Amount: \$2,300,000

Funding Source(s): Funds received through the Apple Marketing Order

II. Background

In the 2016-17 Budget, the fiscal and legal activities associated with the Marketing Order Program (the “Program”) were transferred from the Department of Agriculture and Markets (the “Department”) to ESD. As part of the Program, the Apple Marketing Order funds marketing and promotion activities related to the New York State apple industry. Marketing and promotion proposals are submitted to the Apple Marketing Order Advisory Board every year. After the Advisory Board’s thorough review, it recommends specific projects to be funded,

along with corresponding scopes of work and budgets. Once the Advisory Board recommends the projects to be funded, ESD may begin the contracting process with the chosen contractor(s).

III. Contractor Selection Process

The New York State Apple Marketing Order (NYCRR Part 201) is funded entirely from self-assessments by New York's 700 commercial apple growers. Assessments are used to fund NYAA's marketing and promotion critical to maintain and expand markets for New York apples.

Since 1994, the Department has contracted with NYAA to expend Apple Marketing Order funds on the industry's behalf. These marketing efforts have significantly contributed to a healthy and vibrant New York apple industry and are a major factor in more than doubling the price received by farmers for apples over the past 15 years. Without these promotion efforts, New York's apple industry would become less competitive with other apple producing states and countries.

The Advisory Board has reviewed NYAA's proposal and recommends the specific activities (listed in Section IV. Scope of Services) to be funded. This recommendation is sent to the President and CEO of ESD for approval.

IV. Scope of Services

The Contractor will provide the following services:

1. *Retailer activities* to include:
 - a. Conducting trade calls to implement the following promotional programs:
 - i. Display Programs - Financial incentive to increase sales through increased displays with POS materials
 - ii. Store Demos - In-store New York apple sampling
 - iii. Store Demo Research - Category management services to support in-store samplings
 - iv. Cross Merchandising - Merchandise New York apples in conjunction with other organizations and events such as New York City Marathon
 - v. Cause Related Marketing - Consumer promotional programs that connect apple purchases to cancer research funding
 - vi. Community Retail Events and Promotions - Consumer/retailer community events that promote New York Apples and apple products at community events sponsored by retailers
 - vii. Retailer Advertising Support Programs - Establish incentives for retailers to promote NY apples
 - viii. Digital/Electronic Coupon Programs – Consumer promotional programs that increase sales through coupon redemption

- ix. Create new NYAA branded logo and adhere branding images to products used in promotion of New York apples and apple products
 - b. Providing trade communications through:
 - i. Press Releases to trade publications
 - ii. Trade Communications and Trade Advertising - Trade publications such as *Produce News, Produce Business, And Now You Know, Produce Merchandising, Grocery Headquarters* and *The Packer, etc.*
 - iii. Create new NYAA branded logo and adhere branding images to products used in promotion of New York apples and apple products
 - c. Participating in retail food shows to promote and advertise New York apples as requested
 - d. Create new trade show exhibits
 - e. Participating in the following national trade shows:
 - i. Produce Marketing Association
 - ii. United Fresh Produce Association
 - f. Support Retail/Trade Promotions for New York State processed apple products
 - g. Maintaining membership in Eastern Produce Council (EPC), New England Produce Council (NEPC), Southeast Produce Council and produce organizations made up of key retail personnel. Sponsoring the annual EPC and NEPC produce events to promote NYS apples
2. *Consumer activities* include:
- a. Increasing public awareness of newly released health research findings for fresh apples. Promoting the antioxidant and anti-cancer benefits of fresh apples.
 - b. Enhancing the sponsorship of the New York Road Runners Club to promote and sample New York apples at annual New York City Marathon and other race events.
 - c. Exhibiting at New York State Fair to promote processed and fresh apples
 - d. Refresh and maintain websites with consumer information about fresh and processed apple products
 - e. Support television, radio consumer, digital media and social media programs
 - f. Develop marketing assets such as television, radio and print
 - g. Work closely with NYS on public outreach programs through consumer distribution of variety guides, teacher kits, videos, processed apple guides, and possible media broadcasting
 - h. Perform public relations activities through print and broadcast media, utilizing personnel representatives from the nutritional and dietetic community
 - i. Creating and distributing consumer educational materials such as Apple Variety Guides, Recipe Cards, Nutritional Facts, Industry Facts and educational materials for schools and universities
 - j. Social media marketing promotions
 - k. Participate in the New York Dietetic Association

3. *Food Service Activities Include:*
 - a. Conducting Food Service trade calls to promote New York State apples and apple products
 - b. Working with the New York School Nutrition Association (NYSNA) System to increase New York apple and apple product consumption in New York State schools
 - c. Conducting wholesale market trade calls to promote New York State apples and apple products
 - d. Sponsoring Food Service Activities to increase the use of NY apples and apple products, such as coordinating Meet the Buyer events with schools, foodservice distributors and apple and apple product distributors to schools and at retail level that highlight fresh, whole apples, sliced apples and apple products

4. *U.S. Apple Association Membership activities to include:*
 - a. Participating in the national consumer publicity program to promote fresh and processed apple products
 - b. Representing New York State on all apple industry topics on a national level
 - c. Sponsoring research on the nutritional benefits of apples and apple products
 - d. Providing grower informational services on world and domestic market conditions and apple holdings on a monthly basis

5. *Participate and Support U.S. Apple Export Council:*
 - a. Serve on U.S. Apple Export Council Board of Directors to oversee MAP expenditures
 - b. Attend trade visits in major export markets such as the United Kingdom, Central America, Asia and others as needed
 - c. Host reverse trade missions as available in NYS for visiting apple buyers from our exporting markets such as Central America, United Kingdom, Canada, India and Southeast Asia
 - d. Attend events such as or similar to Fruit Logistica, European produce trade shows such as Berlin, United Kingdom and Hong Kong as depicted by USA Export Council

6. *Industry Research:*
 - a. Sponsoring market research programs
 - b. Sponsoring storage and apple quality research
 - c. Sponsoring consumer research

7. *Information Services:*
 - a. Publishing processing price and marketing information sheets as needed
 - b. Maintaining www.nyapplecountry.com, and www.nycider.com websites
 - c. Conducting grower meetings
 - d. Support NYSHS, Ag Affiliates, CAO, NCAE, PMA, United Fresh Produce Association (former UFFVA), FMI and PBH

- e. Provide grower informational services through newsletters and industry publications as well as fax broadcasts, direct mail and e-mail
- f. Continue to update and streamline the nyapplecountry.com website and social media platforms

V. Contract Term, Price and Funding

This contract term is expected to be twelve months for an amount not to exceed \$2,300,000. The source of funding for the contract will be the funds received through the Apple Marketing Order.

VI. Responsible Party

Staff has undertaken an examination of each selected firm's "responsibility" as defined in State Finance Law §163, and as provided in ESD's Procurement Guidelines, Article 8.13. Based on this analysis of Financial and organizational capacity, Legal authority to do business in New York, Integrity of principals and Past Performance on contracts ("FLIP review"), all selected firms are found to be responsible vendors.

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 Enterprises (MWBES) and Service-Disabled Veteran-owned Businesses (SDVOBs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8 and 9 NYCRR § 252.2) to achieve an overall MWBE Participation Goal of 30% and an overall SDVOB goal of 3% related to the total value of ESD's funding.

VIII. Environmental Review

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

IX. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed Contractor; (2) authorize the Corporation to enter into a contract with the New York Apple Association, Inc. for \$2,300,000; and (3) take all related actions.

X. Recommendation

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

Attachment
Resolutions

August 16, 2018

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a Empire State Development – Authorization to Enter into a Contract for Marketing and Promotion Services of the New York State Apple Industry Through the New York Apple Association, Inc. – Authorization to Enter into a Contract for Marketing and Promotion Services of the New York State Apple Industry Relating to the Marketing Order Program; and Authorization to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with the New York Apple Association for a total contract amount of Two Million Three Hundred Thousand Dollars (\$2,300,000) for the purposes and services and substantially on the terms and conditions set forth in the Materials; and be it further

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

* * *

FOR CONSIDERATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: New York (New York County) – One Bryant Park Land Use Improvement Project

REQUEST FOR: Authorization to Extend the Contract with Shearman & Sterling, LLP to Provide Legal Services; Authorization to Take Related Actions

I. CONTRACT SUMMARY

Contractor: Shearman & Sterling, LLP

Scope of Services: Continue to provide legal services to the Corporation in connection with its One Bryant Park Land Use Improvement Project

Current Contract Amount: \$45,000; no additional contract funds are requested

Current Contract Term: 1 year

Amended Contract Term: Extension of existing contract by one year beginning September 11, 2018 and ending September 11, 2019, for a new overall contract term of 2 years

Funding Source: Imprest Account funded by the Project Developer

II. BACKGROUND

In 2004, the Directors of the New York State Urban Development Corporation, d/b/a Empire State Development (“ESD” or the “Corporation”) adopted a General Project Plan (“GPP”), requiring The Durst Organization Inc. to develop a major new office building for Bank of America on the northwest corner of Sixth Avenue and 42nd Street, now known as One Bryant Park. As part of this project, the GPP also provided for the construction of certain improvements, including certain subway improvements, for the benefit of the public.

Pursuant to an agreement dated as of August 12, 2004 (the "Subway Agreement"), the subway improvements were to be constructed in two phases. The first phase of the subway improvements were completed by the developer in connection with the construction of the new office tower. The second and final phase was to be performed by New York City Transit ("NYCT") and to occur when NYCT undertook the redesign and reconstruction of the Times Square shuttle tracks and associated improvements at the Times Square station. NYCT has now completed the redesign and is undertaking the reconstruction of the shuttle tracks and other improvements of the Times Square Station. Although the redesign does not require a GPP amendment, NYCT and the developer have proposed to amend and restate the existing Subway Agreement to reflect the updated plan for the second phase of the subway improvements.

In August 2017, ESD engaged Sherman and Sterling, LLP to assist ESD in the review and negotiation of the amended and restated Subway Agreement, to which ESD is a party. Mr. Christopher Smith of this firm represented the Corporation during the preparation and approval of the GPP for the project and the negotiation of the various project documents. Retaining counsel already familiar with the relevant GPP provisions and related documents was an efficient way for ESD staff to conduct the review and negotiation of the proposed amendments. The term of the existing contract runs through September 11, 2018 and an extension is requested in order to permit the firm to continue to provide assistance until the amended and restated Subway Agreement is executed. There is sufficient remaining balance on this not-to-exceed \$45,000 contract to conclude these services, so no additional funding is requested.

III. SCOPE OF WORK

The firm of Sherman & Sterling, LLP will continue to provide legal services related to the One Bryant Park Land Use Improvement Project and related project documents, including the amended and restated Subway Agreement related matters.

IV. CONTRACT – NEED FOR AMENDMENT AND FUNDING

Since the execution of the original Subway Agreement in August 2004, the plans for the second phase of the subway improvements have evolved requiring analysis of the Project and the subway improvements, as well as ongoing coordination with involved parties. These tasks have resulted in the need for additional coordination, review and analysis by outside counsel.

Sherman and Sterling, LLP has worked with ESD from the beginning of this Project and has performed the work to date in a satisfactory manner. Counsel's high level of expertise and familiarity with the Project uniquely qualify it to perform the remaining legal services work in connection with the Project. In order to continue working with this firm, staff proposes that the Board extend the contract term by one year. All other terms of the contract, including the original contract value of \$45,000, would remain the same. The amended contract will continue to be funded, in its entirety, from an imprest account funded by the Project developer, pursuant to the terms of the Subway Agreement.

V. RESPONSIBLE PARTY

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

VI. ENVIRONMENTAL REVIEW

ESD staff has determined that the proposed contract amendment constitutes a Type II action as defined by SEQRA and the implementing regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

Pursuant to New York State Executive Law Articles 15-A and 17-B, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of New York State certified minority and women-owned businesses (MWBs) and service-disabled veteran-owned businesses, respectively, in the performance of ESD contracts. For purposes of this project, however, goals will not be established; however, Counsel shall adhere to ESD's Non-discrimination and Equal Employment Opportunity policy

VIII. REQUESTED ACTIONS

The Directors are asked to: (1) make a determination of responsibility with respect to the firm of Sherman & Sterling, LLP; and (2) authorize ESD to extend the existing contract with this firm by one year beginning September 11, 2018 and ending September 11, 2019, and take related actions.

IX. RECOMMENDATION

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

X. ATTACHMENT

Resolutions

August 16, 2018

NEW YORK (NEW YORK COUNTY) – ONE BRYANT PARK LAND USE IMPROVEMENT PROJECT – Authorization to Extend the Contract with Shearman & Sterling, LLP to Provide Legal Services; Authorization to Take Related Actions

RESOLVED, that based upon the materials presented at this meeting and ordered filed with records of the Corporation (the “Materials”), the Corporation hereby finds Shearman & Sterling, LLP (“Counsel”) to be responsible; and be it further

RESOLVED, that on the basis of the Materials, the Corporation be, and hereby is, authorized to amend its existing contract with Counsel to extend the term by one year, to September 11, 2019, to continue to provide legal services in connection with the One Bryant Park Land Use Improvement Project; 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 take such actions and execute such documents as may be necessary or appropriate to carry out the foregoing resolutions.

* * *

FOR INFORMATION

August 16, 2018

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: FY 2018-19 Budget Variance Reports (First Quarter)

In accordance with applicable law, attached are the first quarter FY 2018-19 Empire State Development (ESD) operating budget variance reports by department, as well as subsidiary operating and capital reports.

During the first quarter, total corporate operating expenditures were \$10.8 million; 16% of the total \$69.1 million budget. This is primarily attributable to certain expenses that are not paid evenly throughout the year, but are paid in subsequent quarters. Current projections indicate that spending will remain within the approved budget throughout the fiscal year.

Total subsidiary operating expenditures during the first quarter, excluding LMDC and HCDC Weatherization, was \$1.0 million; 16% of the total \$6.1 million budget. The lower spending levels are primarily due to budgeted expenses that are not paid evenly throughout the year, but are incurred in later quarters. It is anticipated that spending will remain within the fiscal year budget. Both LMDC and HCDC's Weatherization Program expenses are federally funded and reported separately from ESD expenses.

Total first quarter FY2018-19 subsidiary capital spending was approximately \$192 million; 19% of the total \$1.01 billion capital budget. Much of the capital work for many of the larger projects is not immediately invoiced after the work has been completed and, therefore, may not be included in the current variance report. As the year progresses, it is expected that spending will increase closer to budgeted levels.

**Subsidiary Operating Budget Summary Variance Report
FY 2018-19 1st Quarter ended June 30, 2018**

	Atlantic Yards Comm Dev	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moynihan Station	Queens West	USA Niagara	Total	HCDC Weatherization	LMDC
ANNUAL BUDGET												
Personal Services (incl. Benefits)	\$196,076	\$470,947	\$0	\$1,024,603	\$328,294	\$1,132,970	\$935,786	\$58,843	\$558,592	\$4,706,111	\$587,259	\$650,000
Occupancy Expenses	11,097	25,000	0	69,500	0	11,000	0	16,000	63,300	195,897	0	220,000
Repairs / Maint / Prop Mgmt / Other Outside Serv / Expenses	4,257	10,000	1,000	69,500	1,000	22,500	20,000	0	2,500	130,757	377,389	12,500
Computers, Software & Equipment	0	0	0	0	0	5,000	5,000	0	4,000	14,000	1,000	8,500
Telephone/Fax/Internet	0	3,000	0	4,000	500	20,000	40,000	400	10,000	77,900	3,000	8,000
Legal / Accounting Fees	0	50,000	100,000	2,500	25,000	62,500	0	1,000	500	241,500	13,500	120,000
Consulting Fees	0	100,000	300,000	0	0	5,000	10,000	0	0	415,000	0	32,500
Office Supplies / Printing / Advertising	0	3,000	0	4,800	100	30,000	15,000	0	3,500	56,400	6,500	1,500
Insurance	23,570	14,581	13,529	56,511	8,141	70,000	27,500	7,863	15,278	236,973	14,492	27,500
Travel & Meals	0	15,000	4,000	1,000	1,000	5,000	5,000	0	500	31,500	12,500	0
On-Line Services, Dues & Subscriptions	0	300	3,500	1,500	0	5,000	0	0	3,000	13,300	1,000	0
Total	\$235,000	\$691,828	\$422,029	\$1,233,914	\$364,035	\$1,368,970	\$1,058,286	\$84,106	\$661,170	\$6,119,338	\$1,016,640	\$1,080,500
ACTUAL SPENDING TO DATE												
Personal Services (incl. Benefits)	\$25,217	\$49,351	\$0	\$197,331	\$64,933	\$214,746	\$117,337	\$9,020	\$81,811	\$759,746	\$104,819	\$159,784
Occupancy Expenses	2,242	2,242	0	19,583	0	0	0	2,242	15,825	42,135	0	50,548
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	516	580	200	17,629	0	1,165	309	0	594	20,992	8,602	3,099
Computers, Software & Equipment	0	0	0	0	0	0	0	0	650	650	0	2,124
Telephone/Fax/Internet	0	0	0	1,073	0	3,800	2,766	383	933	8,955	2,330	1,905
Legal / Accounting Fees	0	0	25,230	0	0	18,498	0	0	0	43,728	0	30,000
Consulting Fees	0	0	70,000	0	0	0	0	0	0	70,000	0	8,100
Office Supplies / Printing / Advertising	0	82	0	7,276	0	1,229	0	0	100	8,687	4,908	364
Insurance	5,585	4,880	3,098	37	2,133	20,523	3,840	1,908	4,014	46,017	290	6,404
Travel & Meals	0	0	0	0	0	326	0	0	0	326	4,406	0
On-Line Services, Dues & Subscriptions	0	0	0	729	0	0	0	0	0	729	1,000	0
Total	\$33,560	\$57,134	\$98,528	\$243,659	\$67,066	\$260,287	\$124,251	\$13,553	\$103,927	\$1,001,964	\$126,354	\$262,326
BALANCE REMAINING												
Personal Services (incl. Benefits)	\$170,859	\$421,596	\$0	\$827,272	\$263,361	\$918,224	\$818,449	\$49,823	\$476,781	\$3,946,365	\$482,440	\$490,216
Occupancy Expenses	8,855	22,758	0	49,917	0	11,000	0	13,758	47,475	153,762	0	169,452
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	3,741	9,420	800	51,871	1,000	21,335	19,692	0	1,906	109,765	368,787	9,401
Computers, Software & Equipment	0	0	0	0	0	5,000	5,000	0	3,350	13,350	1,000	6,376
Telephone/Fax/Internet	0	3,000	0	2,927	500	16,200	37,234	18	9,067	68,946	670	6,095
Legal / Accounting Fees	0	50,000	74,770	2,500	25,000	44,003	0	1,000	500	197,773	13,500	90,000
Consulting Fees	0	100,000	230,000	0	0	5,000	10,000	0	0	345,000	0	24,400
Office Supplies / Printing / Advertising	0	2,918	0	(2,476)	100	28,771	15,000	0	3,400	47,713	1,593	1,136
Insurance	17,985	9,701	10,431	56,474	6,008	49,477	23,660	5,955	11,264	190,956	14,202	21,096
Travel & Meals	0	15,000	4,000	1,000	1,000	4,674	5,000	0	500	31,174	8,094	0
On-Line Services, Dues & Subscriptions	0	300	3,500	771	0	5,000	0	0	3,000	12,571	0	0
Total	\$201,440	\$634,694	\$323,501	\$990,255	\$296,969	\$1,108,683	\$934,035	\$70,553	\$557,243	\$5,117,374	\$890,286	\$818,174
OVERVIEW												
Annual Budget	\$235,000	\$691,828	\$422,029	\$1,233,914	\$364,035	\$1,368,970	\$1,058,286	\$84,106	\$661,170	\$6,119,338	\$1,016,640	\$1,080,500
Actual to Date	\$33,560	\$57,134	\$98,528	\$243,659	\$67,066	\$260,287	\$124,251	\$13,553	\$103,927	\$1,001,964	\$126,354	\$262,326
Balance Remaining	\$201,440	\$634,694	\$323,501	\$990,255	\$296,969	\$1,108,683	\$934,035	\$70,553	\$557,243	\$5,117,374	\$890,286	\$818,174
% of Annual Budget Used	14.28%	8.26%	23.35%	19.75%	18.42%	19.01%	11.74%	16.11%	15.72%	16.37%	12.43%	24.28%

**Subsidiary Capital Budget Summary Variance Report
FY 2018-19 1st Quarter ended June 30, 2018**

	Convention Center	Erie Canal Harbor	Moynihan Station	Queens West	USA Niagara	Total All Subsidiaries
<u>ANNUAL BUDGET</u>						
Acquisition Costs	\$0	\$400,000	\$0	\$0	\$0	\$400,000
Design & Other Soft Costs	6,000,000	5,831,998	8,994,480	0	3,456,848	24,283,326
Legal Costs	3,000,000	240,000	231,000	40,000	80,000	3,591,000
Property Management/Maintenance Costs	12,000,000	2,075,000	0	120,000	800,000	14,995,000
Insurance	0	150,000	500,000	0	0	650,000
Demolition & Site Clearance	0	0	0	0	0	0
Construction Costs	434,000,000	34,466,164	475,200,000	1,350,000	2,781,000	947,797,164
Other Misc. Costs	10,000,000	300,000	500,000	0	2,900,000	13,700,000
Total	\$465,000,000	\$43,463,162	\$485,425,480	\$1,510,000	\$10,017,848	\$1,005,416,490
<u>ACTUAL SPENDING TO DATE</u>						
Acquisition Costs	\$0	\$0	\$0	\$0	\$0	\$0
Design & Other Soft Costs	2,985,381	306,971	869,457	0	226,879	4,388,688
Legal Costs	206,046	0	649	0	7,509	214,205
Property Management/Maintenance Costs	0	274,811	0	3,526	1,949	280,285
Insurance	0	32,049	223,154	0	0	255,202
Demolition & Site Clearance	0	0	0	0	0	0
Construction Costs	76,063,810	971,091	107,388,580	0	2,525,000	186,948,480
Other Misc. Costs	0	23,789	0	0	7,498	31,287
Total	\$79,255,237	\$1,608,710	\$108,481,840	\$3,526	\$2,768,836	\$192,118,148
<u>BALANCE REMAINING</u>						
Acquisition Costs	\$0	\$400,000	\$0	\$0	\$0	\$400,000
Design & Other Soft Costs	3,014,619	5,525,027	8,125,023	0	3,229,969	19,894,638
Legal Costs	2,793,954	240,000	230,351	40,000	72,491	3,376,796
Property Management/Maintenance Costs	12,000,000	1,800,189	0	116,475	798,051	14,714,715
Insurance	0	117,952	276,846	0	0	394,798
Demolition & Site Clearance	0	0	0	0	0	0
Construction Costs	357,936,190	33,495,073	367,811,420	1,350,000	256,000	760,848,684
Other Misc. Costs	10,000,000	276,211	500,000	0	2,892,502	13,668,713
Total	\$385,744,763	\$41,854,452	\$376,943,640	\$1,506,475	\$7,249,012	\$813,298,342
<u>ANNUAL OVERVIEW</u>						
Annual Budget	\$465,000,000	\$43,463,162	\$485,425,480	\$1,510,000	\$10,017,848	\$1,005,416,490
Actual Spending to Date	\$79,255,237	\$1,608,710	\$108,481,840	\$3,526	\$2,768,836	\$192,118,148
Balance Remaining	\$385,744,763	\$41,854,452	\$376,943,640	\$1,506,475	\$7,249,012	\$813,298,342
% of Budget Used	17.04%	3.70%	22.35%	0.23%	27.64%	19.11%

**Departmental Budget Variance Report
FY 2018-19 1st Quarter ended June 30, 2018**

	Admin Services	CFO	Controller	Contract Admin	Corporate	Economic Analysis & Research	Economic Incentives	Executive Office	Global NY	Human Resources	Info Technology	Innovation & Broadband (Broadband)	Innovation & Broadband (Venture)
ANNUAL BUDGET													
Personal Services (incl. Benefits)	\$ 580,516	\$ 323,800	\$ 2,059,062	\$ 1,421,272	\$ 14,577,011	\$ 195,751	\$ 547,105	\$ 2,436,658	\$ 521,734	\$ 583,349	\$ 1,909,479	\$ 1,235,223	\$ 967,796
Occupancy Expenses	-	-	-	-	8,172,000	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	4,600,000	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	159,100	-	1,450,800	-	-	25,000	-	-	-	1,180,000	-
Office Maint/ Prop Mgmt / Other Outside Serv	530,000	-	35,000	200	347,500	40,000	150	-	10,750	30,000	22,500	50,000	1,000
Travel & Meals	1,000	3,000	1,500	3,500	54,070	2,500	6,000	130,000	30,000	1,500	23,000	25,000	10,000
Computers/ Software/ Equipment	-	500	-	-	-	-	-	-	-	-	678,885	-	5,500
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	420,000	-	-
Insurance	-	-	-	-	402,155	-	-	-	-	-	-	-	2,000
Office Supplies / Printing / Postage/ Advertising	237,000	200	-	-	17,541	-	-	-	100	-	-	2,277	500
On-Line Services, Dues & Subscriptions	-	1,500	500	-	-	500	150	4,000	-	1,100	-	7,500	1,000
Total	\$ 1,348,516	\$ 329,000	\$ 2,255,162	\$ 1,424,972	\$ 29,621,077	\$ 238,751	\$ 553,405	\$ 2,595,658	\$ 562,584	\$ 615,949	\$ 3,053,864	\$ 2,500,000	\$ 987,796
ACTUAL TO DATE													
Personal Services (incl. Benefits)	\$ 125,992	\$ 71,563	\$ 431,887	\$ 263,074	\$ 1,721,918	\$ 43,422	\$ 113,919	\$ 448,141	\$ 72,061	\$ 125,112	\$ 332,090	\$ 171,287	\$ 197,759
Occupancy Expenses	-	-	-	-	1,824,559	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	153,000	-	9,242	-	-	16,861	-	-	-	21,506	-
Office Maint/ Prop Mgmt / Other Outside Serv	37,828	-	8,982	-	89,110	-	-	-	241	11,711	-	-	-
Travel & Meals	29	-	976	589	250	413	87	34,703	8,975	10	746	4,097	1,161
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	-	-	32,143	1,170	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	81,447	-	-
Insurance	-	-	-	-	110,333	-	-	-	-	-	-	-	-
Office Supplies / Printing / Postage/ Advertising	42,918	-	-	-	-	-	-	-	-	-	-	151	-
On-Line Services, Dues & Subscriptions	-	320	-	-	3,068	-	-	-	-	209	-	-	(50)
Total	\$ 206,767	\$ 71,883	\$ 594,845	\$ 263,663	\$ 3,758,479	\$ 43,836	\$ 114,006	\$ 499,704	\$ 81,277	\$ 137,042	\$ 446,426	\$ 198,211	\$ 198,870
Balance Remaining													
Personal Services (incl. Benefits)	\$ 454,524	\$ 252,237	\$ 1,627,175	\$ 1,158,198	\$ 12,855,093	\$ 152,329	\$ 433,186	\$ 1,988,517	\$ 449,673	\$ 458,237	\$ 1,577,389	\$ 1,063,936	\$ 770,037
Occupancy Expenses	-	-	-	-	6,347,441	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	4,600,000	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	6,100	-	1,441,558	-	-	8,139	-	-	-	1,158,494	-
Office Maint/ Prop Mgmt / Other Outside Serv	492,172	-	26,018	200	258,390	40,000	150	-	10,509	18,289	22,500	50,000	1,000
Travel & Meals	971	3,000	525	2,911	53,820	2,087	5,913	95,297	21,025	1,490	22,254	20,903	8,839
Computers, Software & Telephone	-	500	-	-	-	-	-	-	-	-	646,742	(1,170)	5,500
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	338,553	-	-
Insurance	-	-	-	-	291,822	-	-	-	-	-	-	-	2,000
Office Supplies / Printing / Advertising	194,082	200	-	-	17,541	-	-	-	100	-	-	2,126	500
On-Line Services, Dues & Subscriptions	-	1,180	500	-	(3,068)	500	150	4,000	-	891	-	7,500	1,050
Total	\$ 1,141,749	\$ 257,117	\$ 1,660,317	\$ 1,161,309	\$ 25,862,598	\$ 194,916	\$ 439,399	\$ 2,095,954	\$ 481,307	\$ 478,907	\$ 2,607,438	\$ 2,301,789	\$ 788,926
OVERVIEW													
Annual Budget	\$ 1,348,516	\$ 329,000	\$ 2,255,162	\$ 1,424,972	\$ 29,621,077	\$ 238,751	\$ 553,405	\$ 2,595,658	\$ 562,584	\$ 615,949	\$ 3,053,864	\$ 2,500,000	\$ 987,796
Actual to Date	\$ 206,767	\$ 71,883	\$ 594,845	\$ 263,663	\$ 3,758,479	\$ 43,836	\$ 114,006	\$ 499,704	\$ 81,277	\$ 137,042	\$ 446,426	\$ 198,211	\$ 198,870
Balance Remaining	\$ 1,141,749	\$ 257,117	\$ 1,660,317	\$ 1,161,309	\$ 25,862,598	\$ 194,916	\$ 439,399	\$ 2,095,954	\$ 481,307	\$ 478,907	\$ 2,607,438	\$ 2,301,789	\$ 788,926
% of Annual Budget Used	15%	22%	26%	19%	13%	18%	21%	19%	14%	22%	15%	8%	20%

Departmental Budget Variance Report
FY 2018-19 1st Quarter ended June 30, 2018

	Internal Audit	Intergov./ Legis. Affairs	Legal	Life Science	Loans & Grants	Marketing	Minority Women Business Div	Motion Pictures & TV	NYSTAR	Portfolio Mgt	Public Affairs	Real Estate Dev	Regional Councils
ANNUAL BUDGET													
Personal Services (incl. Benefits)	\$ 408,109	\$ 325,874	\$ 2,936,444	\$ 826,860	\$ 1,788,171	\$ 1,897,322	\$ 442,243	\$ 283,864	\$ 1,065,360	\$ 615,395	\$ 1,181,251	\$ 1,185,390	\$ 1,417,688
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	400,000	-	-	12,500	106,000	-	6,000	-	2,500	750,000	-
Office Maint/ Prop Mgmt / Other Outside Serv	-	500	16,000	70,000	3,000	2,500	-	300	-	12,000	-	15,500	135,000
Travel & Meals	1,000	7,500	20,000	12,000	7,000	60,000	15,000	6,500	120,000	8,000	18,000	12,000	32,500
Computers/ Software/ Equipment	-	-	-	5,000	-	-	-	-	50,000	-	-	-	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies / Printing / Postage/ Advertising	-	-	1,000	5,000	-	3,100	1,500	-	15,000	100	-	-	2,500
On-Line Services, Dues & Subscriptions	1,425	1,500	85,000	5,000	700	-	3,000	-	-	-	2,100	-	-
Total	\$ 410,534	\$ 335,374	\$ 3,458,444	\$ 923,860	\$ 1,798,871	\$ 1,975,422	\$ 567,743	\$ 290,664	\$ 1,256,360	\$ 635,495	\$ 1,203,851	\$ 1,962,890	\$ 1,587,688
ACTUAL TO DATE													
Personal Services (incl. Benefits)	\$ 90,927	\$ 71,914	\$ 606,667	\$ 67,338	\$ 385,904	\$ 393,086	\$ 61,966	\$ 61,108	\$ 24,343	\$ 118,964	\$ 224,649	\$ 259,981	\$ 226,194
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	19,093	-	-	6,112	35,037	-	-	-	-	133,875	-
Office Maint/ Prop Mgmt / Other Outside Serv	-	-	2,875	1,484	-	-	-	-	-	-	199	5,500	10,348
Travel & Meals	564	279	951	95	398	9,275	1,213	80	1,584	6	416	1,922	963
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies / Printing / Postage/ Advertising	-	-	-	-	-	907	-	-	-	-	-	-	-
On-Line Services, Dues & Subscriptions	50	-	17,053	-	-	-	-	-	-	175	420	-	-
Total	\$ 91,541	\$ 72,193	\$ 646,638	\$ 68,917	\$ 386,302	\$ 409,379	\$ 98,216	\$ 61,188	\$ 25,927	\$ 119,145	\$ 225,684	\$ 401,278	\$ 237,505
Balance Remaining													
Personal Services (incl. Benefits)	\$ 317,182	\$ 253,960	\$ 2,329,777	\$ 759,522	\$ 1,402,267	\$ 1,504,236	\$ 380,277	\$ 222,756	\$ 1,041,017	\$ 496,431	\$ 956,602	\$ 925,409	\$ 1,191,494
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	380,907	-	-	6,388	70,963	-	6,000	-	2,500	616,125	-
Office Maint/ Prop Mgmt / Other Outside Serv	-	500	13,125	68,516	3,000	2,500	-	300	-	12,000	(199)	10,000	124,652
Travel & Meals	436	7,221	19,049	11,905	6,602	50,725	13,787	6,420	118,416	7,995	17,584	10,078	31,537
Computers, Software & Telephone	-	-	-	5,000	-	-	-	-	50,000	-	-	-	-
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies / Printing / Advertising	-	-	1,000	5,000	-	2,193	1,500	-	15,000	100	-	-	2,500
On-Line Services, Dues & Subscriptions	1,375	1,500	67,947	5,000	700	-	3,000	-	-	(175)	1,680	-	-
Total	\$ 318,993	\$ 263,181	\$ 2,811,806	\$ 854,943	\$ 1,412,569	\$ 1,566,043	\$ 469,527	\$ 229,476	\$ 1,230,433	\$ 516,350	\$ 978,167	\$ 1,561,612	\$ 1,350,183
OVERVIEW													
Annual Budget	\$ 410,534	\$ 335,374	\$ 3,458,444	\$ 923,860	\$ 1,798,871	\$ 1,975,422	\$ 567,743	\$ 290,664	\$ 1,256,360	\$ 635,495	\$ 1,203,851	\$ 1,962,890	\$ 1,587,688
Actual to Date	\$ 91,541	\$ 72,193	\$ 646,638	\$ 68,917	\$ 386,302	\$ 409,379	\$ 98,216	\$ 61,188	\$ 25,927	\$ 119,145	\$ 225,684	\$ 401,278	\$ 237,505
Balance Remaining	\$ 318,993	\$ 263,181	\$ 2,811,806	\$ 854,943	\$ 1,412,569	\$ 1,566,043	\$ 469,527	\$ 229,476	\$ 1,230,433	\$ 516,350	\$ 978,167	\$ 1,561,612	\$ 1,350,183
% of Annual Budget Used	22%	22%	19%	7%	21%	21%	17%	21%	2%	19%	19%	20%	15%

Departmental Budget Variance Report
FY 2018-19 1st Quarter ended June 30, 2018

	Regional Offices Capital District	Regional Offices Central NY	Regional Offices Long Island	Regional Offices Mid Hudson	Regional Offices Mohawk Valley	Regional Offices North Country	Regional Offices New York City	Regional Offices Southern Tier	Regional Offices Western NY	Small Business & Tech Develop	Strategic Business Development	Tech & New Media	Trade & Tourism Puerto Rico	Treasury	Total of Departments
ANNUAL BUDGET															
Personal Services (incl. Benefits)	\$ 132,600	\$ 206,918	\$ 278,334	\$ 343,780	\$ 119,600	\$ 128,978	\$ 235,085	\$ 326,168	\$ 1,263,520	\$ 998,876	\$ 703,663	\$ 335,694	\$ 239,782	\$ 813,563	\$ 47,859,287
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	75,400	-	8,247,400
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,600,000
Professional Serv/ Consultant Fees/ Agency Temps	-	1,000	200	500	500	-	-	-	2,500	55,000	-	-	31,200	-	4,182,800
Office Maint/ Prop Mgmt / Other Outside Serv	1,750	-	-	-	-	-	50	-	-	42,000	1,000	-	5,000	-	1,371,700
Travel & Meals	2,000	3,500	3,500	8,000	2,500	5,500	2,750	3,000	35,000	20,000	40,000	5,000	15,000	2,000	758,320
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	-	-	-	-	3,500	-	743,385
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	2,000	-	422,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	4,350	-	408,505
Office Supplies / Printing / Postage/ Advertising	-	-	-	-	-	-	-	5,000	-	1,500	-	-	5,500	-	297,818
On-Line Services, Dues & Subscriptions	-	-	100	500	200	100	450	250	-	12,500	2,000	-	1,250	29,500	161,825
Total	\$ 136,350	\$ 211,418	\$ 282,134	\$ 352,780	\$ 122,800	\$ 134,578	\$ 238,285	\$ 329,468	\$ 1,306,020	\$ 1,129,876	\$ 746,663	\$ 340,694	\$ 382,982	\$ 845,063	\$ 69,053,040
ACTUAL TO DATE															
Personal Services (incl. Benefits)	\$ 29,580	\$ 35,451	\$ 59,605	\$ 72,189	\$ 26,680	\$ 28,772	\$ 48,260	\$ 74,790	\$ 279,320	\$ 227,625	\$ 159,368	\$ 74,447	\$ 40,492	\$ 144,345	\$ 8,012,189
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,824,559
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Serv/ Consultant Fees/ Agency Temps	-	-	-	-	-	-	-	-	-	9,603	-	-	8,943	10,669	423,941
Office Maint/ Prop Mgmt / Other Outside Serv	1,750	-	-	-	-	-	-	225	-	1,514	-	-	6,654	-	178,421
Travel & Meals	17	378	851	335	37	743	34	516	3,516	2,633	9,855	30	879	-	89,605
Computers/ Software/ Equipment	-	-	-	-	-	-	-	-	-	-	-	-	1,648	-	34,961
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,447
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110,333
Office Supplies / Printing / Postage/ Advertising	-	-	-	-	-	-	-	-	-	-	-	-	1,633	-	45,609
On-Line Services, Dues & Subscriptions	-	1,380	-	300	-	62	-	-	-	-	1,400	190	-	6,967	31,544
Total	\$ 31,347	\$ 37,209	\$ 60,457	\$ 72,825	\$ 26,717	\$ 29,577	\$ 48,294	\$ 75,307	\$ 283,060	\$ 239,862	\$ 172,137	\$ 74,667	\$ 60,250	\$ 161,981	\$ 10,832,609
Balance Remaining															
Personal Services (incl. Benefits)	\$ 103,020	\$ 171,467	\$ 218,729	\$ 271,591	\$ 92,920	\$ 100,206	\$ 186,825	\$ 251,378	\$ 984,200	\$ 771,251	\$ 544,295	\$ 261,247	\$ 199,290	\$ 669,218	\$ 39,847,098
Occupancy Expenses	-	-	-	-	-	-	-	-	-	-	-	-	75,400	-	6,422,841
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,600,000
Professional Serv/ Consultant Fees/ Agency Temps	-	1,000	200	500	500	-	-	-	2,500	45,397	-	-	22,257	(10,669)	3,758,859
Office Maint/ Prop Mgmt / Other Outside Serv	-	-	-	-	-	-	-	50	(225)	42,000	(514)	-	(1,654)	-	1,193,279
Travel & Meals	1,984	3,122	2,649	7,665	2,463	4,757	2,716	2,484	31,484	17,367	30,145	4,970	14,121	2,000	668,715
Computers, Software & Telephone	-	-	-	-	-	-	-	-	-	-	-	-	1,852	-	708,424
Telephone/ Fax/ Internet	-	-	-	-	-	-	-	-	-	-	-	-	2,000	-	340,553
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	4,350	-	298,172
Office Supplies / Printing / Advertising	-	-	-	-	-	-	-	5,000	-	1,500	-	-	3,867	-	252,209
On-Line Services, Dues & Subscriptions	-	(1,380)	100	200	200	38	450	250	-	12,500	600	(190)	1,250	22,533	130,281
Total	\$ 105,004	\$ 174,209	\$ 221,678	\$ 279,955	\$ 96,083	\$ 105,001	\$ 189,991	\$ 254,161	\$ 1,022,959	\$ 890,014	\$ 574,526	\$ 266,027	\$ 322,732	\$ 683,082	\$ 58,220,432
OVERVIEW															
Annual Budget	\$ 136,350	\$ 211,418	\$ 282,134	\$ 352,780	\$ 122,800	\$ 134,578	\$ 238,285	\$ 329,468	\$ 1,306,020	\$ 1,129,876	\$ 746,663	\$ 340,694	\$ 382,982	\$ 845,063	\$ 69,053,040
Actual to Date	\$ 31,347	\$ 37,209	\$ 60,457	\$ 72,825	\$ 26,717	\$ 29,577	\$ 48,294	\$ 75,307	\$ 283,060	\$ 239,862	\$ 172,137	\$ 74,667	\$ 60,250	\$ 161,981	\$ 10,832,609
Balance Remaining	\$ 105,004	\$ 174,209	\$ 221,678	\$ 279,955	\$ 96,083	\$ 105,001	\$ 189,991	\$ 254,161	\$ 1,022,959	\$ 890,014	\$ 574,526	\$ 266,027	\$ 322,732	\$ 683,082	\$ 58,220,432
% of Annual Budget Used	23%	18%	21%	21%	22%	22%	20%	23%	22%	21%	23%	22%	16%	19%	16%