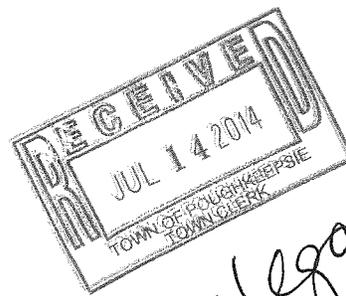


Empire State Development



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

July 11, 2014

Felicia Salvatore, Town Clerk
Town of Poughkeepsie
1 Overocker Road
Poughkeepsie, NY 12603

RE: Marist College Capital Project, Public Hearing

Dear Clerk Salvatore:

I am hereby transmitting, for filing in your office, the General Project Plan of the New York State Urban Development Corporation ("UDC"), doing business as Empire State Development (the "Corporation"), together with the findings required pursuant to Sections 16-m and 10(g) of the UDC Act, for the Marist College Capital Project in Dutchess County. This material is being filed pursuant to Section 16(2) of the UDC Act.

A public hearing, also required by the UDC Act, will be held by the Corporation at the Town of Poughkeepsie, Town Hall- Meeting Room, 1 Overocker Road, Poughkeepsie, NY 12603 on Thursday, July 24, 2014 from 3:00 PM to 4:00 PM to consider the General Project Plan.

ESD is a corporate governmental agency and public benefit corporation of the State of New York created by the New York Urban Development Corporation Act of 1968 as amended. Therefore, pursuant to CPLR Section 8017, ESD is exempt from any fee which may be imposed in connection with your receipt of these materials.

Sincerely,

A handwritten signature in cursive script that reads "Genevieve Carr".

Genevieve Carr
Program Coordinator

Enc.

FOR CONSIDERATION

June 27, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Poughkeepsie (Mid-Hudson Region – Dutchess County) – Marist College Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Marist College (“Marist” or the “College”)

ESD* Investment: A grant of up to \$3,000,000 to be used for a portion of the cost to purchase machinery and equipment.

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

Project Location: 3399 North Road, Poughkeepsie, Dutchess County

Proposed Project: Marist College will establish the New York State Cloud Computing and Analytics Center (“NYSCCAC”) that will provide IT services, including hardware, software, training and consulting services to companies in early-stage IT project development and testing.

Project Type: Machinery and equipment to establish the NYSCCAC

Regional Council: The project is consistent with the Mid-Hudson Regional Strategic Plan to strengthen the diversified service-based economy with several technology-based industries and the educational resources, including engineering at SUNY and expertise in cloud computing and analytics research at Marist College, to prepare individuals for careers in technology-based industries. The President of Marist College, Dennis Murray, is co-chair of the 24 member Mid-Hudson Regional Economic Development Council. In conformance with the State's policy this individual has recused himself on votes recommending this project.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Machinery and Equipment Acquisition	\$29,168,903	
Operating expenses (including: Faculty, Marketing, Outreach, Advertising, Supplies/Materials, Other)	<u>6,135,000</u>	
Total Project Costs	<u>\$35,303,903</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$3,000,000	8%
IBM Donated Equipment	23,791,965	67%
National Science Foundation – Grant	1,890,000	5%
Company Equity	<u>6,621,938</u>	<u>20%</u>
Total Project Financing	<u>\$35,303,903</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Marist is an independent, co-educational, comprehensive liberal arts college.

Grantee History: The College can trace its roots back to 1905, when the Marist brothers purchased property along the eastern shore of the Hudson River in Poughkeepsie they named St. Ann's Hermitage. A few years later, an estate with more than 150 acres was purchased to continue the expansion. By 1929, college-level courses were offered, and in 1946 the State of New York granted the institution an official four-year charter under the leadership of founding President Brother Paul Ambrose

Fontaine. The brothers set out to construct several buildings on the grounds of what was then called Marian College. By 1960, Marian College was renamed Marist College.

Ownership: Marist College is a not-for-profit corporation.

Size: All facilities are located in Poughkeepsie, NY.

Market: The College enrolls 4,787 traditional-age undergraduate students, 543 adult undergraduate students, and 799 full- and part-time graduate students. Academic programs are organized into seven schools: the School of Communication & the Arts; the School of Computer Sciences & Mathematics, the School of Global & Professional Programs, the School of Liberal Arts, the School of Management, the School of Science, and the School of Social and Behavioral Sciences. Students may choose among 44 undergraduate majors and 12 graduate programs, including fully on-line MBA, MPA, MS, and MA degrees.

ESD Involvement: As a highly selective, comprehensive, liberal arts institution noted for its leadership in the use of technology in and out of the classroom, Marist has committed to establishing the New York State Cloud Computing and Analytics Center that will provide IT services, including hardware, software, training and consulting services, to companies in early-stage IT project development and testing. To bridge the financing gap for the purchase of the necessary equipment and materials required to establish the NYSCCAC, Marist applied for financial support via the Consolidated Funding Application. ESD awarded Marist a capital grant in the amount of \$3,000,000, which will ensure that the project moves forward.

Past ESD Support: Since 2001, Marist College has received ESD grants totaling approximately \$7,771,000 for a variety of projects. All project funds have been disbursed and are in compliance with grant agreement terms.

B. The Project

Completion: December 2013

Activity: Marist College created and manages the NYSCCAC, a first-of-its-kind center, providing IT services, hardware, software, training, and consulting services. The NYSCCAC works with companies on early-stage IT projects with the goal to develop and test ways to deploy commercial cloud computing environments. The NYSCCAC also provides critical education and training, through the cloud, in analytics and cloud computing, as well as other critical areas. NYSCCAC is available to members of the high performance computing community. It specifically provides an analytics

cloud, a Cloud Computing and Analytics Incubation Center, and a workforce development cloud. The equipment to support this initiative includes: IBM Pure Systems, IBM Netezza systems, high speed networking components, and emergency power systems.

Results: The NYSCCAC programs will comprise IT services and consulting as well as business consulting, temporary office space, shared services, and administrative support offered on-site and over the internet to companies for periods of up to two years, at which point successful companies would graduate from the Incubator to other locations in the region, providing additional jobs and economic benefit to the local economy. Transition of these companies, and/or their cloud products, to other facilities will always be part of the initial business plan, project design, and implementation strategy.

Economic Growth

Investment Project: This project is an Economic Growth Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

Grantee Contact: Roger Norton, Dean, School of Computer Science and Mathematics
3399 North Road
Poughkeepsie, NY 12601
Phone: (845) 575-3000 ext. 3610

ESD Project No.: Y268

Project Team:	Origination	Charles Radier
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	Finance	Ross Freeman
	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 \$3,000,000 capital grant (\$30,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity

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

4. Up to \$3,000,000 will be disbursed to Grantee upon documentation of project expenditures totaling \$35,303,903, 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 May 2, 2013, to be considered eligible project costs.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 and re-appropriated in the 2013-14 and 2014-15 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. Marist shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 30%, Minority Business Enterprise ("MBE") Participation goal of 20% and a Women Business Enterprise ("WBE") Participation goal of 10% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

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

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

VIII. ESD Employment Enforcement Policy

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

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum