

May 30, 2017



Mr. Matthew Ossenfort
County Executive
Montgomery County
20 Park Street
Fonda, NY 12068

Dear Mr. ^{Matt}Ossenfort:

On behalf of New York State and Empire State Development, please let me express my enthusiasm for working with you and Montgomery County and the Arkell Museum to prepare a feasibility study for current and future storage needs at the Arkell Museum in New York State.

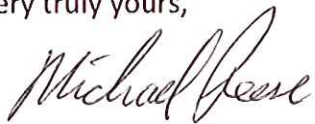
As we understand the project, the Arkell Museum will retain a consultant to determine the costs and feasibility of constructing an above ground painting and artifact storage facility in Canajoharie, Montgomery County. The total project cost is approximately \$120,000

To encourage you to proceed with this project, we are offering Montgomery County and the Arkell Museum incentives valued at \$60,000.

Please review the attached Incentive Proposal to see how New York State and Empire State Development are prepared to assist Montgomery County and the Arkell Museum with its project located in the Mohawk Valley Region of New York State. If you choose to accept our offer, please acknowledge your decision by endorsing the last page of the attached proposal and **returning one copy to me and the original**, including the \$250 Application Fee, to Edwin Lee, Vice President of Empire State Development's Loans and Grants Department, by July 2, 2017.

We look forward to working with you on this exciting project and can be reached at 315-793-2366 at your convenience.

Very truly yours,



Michael Reese
Mohawk Valley Regional Director

cc: Edwin Lee

Attachment: ESD Incentive Proposal



REGIONAL COUNCIL AWARD – INCENTIVE PROPOSAL

Montgomery County

May 30, 2017

This **Incentive Proposal** outlines the general terms and conditions of the incentive package being offered by Empire State Development (“ESD”)* to Montgomery County and Arkell Museum to assist with its project in Canajoharie, Montgomery County. This offer is subject to the availability of funds, completion of any applicable (1) non-discrimination and contractor diversity, (2) environmental and historic and (3) smart growth review requirements, approval by the ESD Directors, applicable statutes, and compliance with program requirements.

* The New York State Department of Economic Development and the New York State Urban Development Corporation, d/b/a Empire State Development, are collectively referred to as ESD.

I. GENERAL INFORMATION

- a) **Recipient Name:** Montgomery County (the “Recipient”)
- b) **Contact Information:** Ms. Amanda Bearcroft
Senior Planner
9 Park Street
Fonda, NY 12068
Phone: 518-853-8334
E-mail: abearcroft@co.montgomery.ny.us
- c) **Project Location(s):** 2 Erie Boulevard
Canajoharie, NY 13317
- d) **Beneficiary(s):** Arkell Museum
- New York State Empire Zone:** N/A
- e) **Type of Business:** Municipal Government
- f) **Number of Full-time, Permanent Employees at all NYS Locations as of Today’s Date:** N/A
- g) **Number of Full-time, Permanent Employees at Project Location(s) as of Today’s Date:** N/A
- h) **Number of Part-time or Seasonal Employees, or Full-time Contract Employees at Project Location(s) as of Today’s Date:** N/A

II. PROJECT SPECIFICS

- a) **Project Description:** Prepare a feasibility study of the construction of additional storage space.
- b) **Estimated Schedule:** Begin: April 2017
Complete: December 2017
Estimated ESD Directors' Approval: February 2018

III. PROJECT BUDGET

You have informed us that the following costs will be incurred to complete this project. It is understood that these costs are estimates, based on the best information available to date. If these figures change, please inform your ESD contact as soon as possible.

Montgomery County Development Strategy:	\$120,000
Total Estimated Cost:	\$120,000

IV. ESD INCENTIVES

Urban and Community Development Program – Working Capital Grant – Project #AB960/CFA#63680

- a) **Amount:** \$60,000
- b) **Use of Funds:** Reimbursement for a portion of eligible services to prepare a comprehensive economic development strategy for Montgomery County.
- c) **Requirements:** Funds will be disbursed in lump sum upon project completion, as described in Sections II and III above and as evidenced by attainment of a certificate of occupancy and/or other documentation verifying project completion as ESD may require, and documentation verifying project expenditures of approximately \$120,000.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2019. Expenditures incurred prior to December 8, 2016 are not eligible project costs and cannot be reimbursed by grant funds.

General Requirements

- **Equity:**
The Recipient will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Recipient's written acceptance of ESD's Incentive Proposal. Equity is defined as cash injected into the project by the Recipient or by investors and should be auditable through Recipient financial statements or Recipient accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

▪ **Fees:**

The Recipient will provide a \$250 Application Fee, due when this Incentive Proposal is returned. In addition, the Recipient will 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.

▪ **Non-discrimination and Contractor Diversity:**

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Recipient shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of **30% (\$18,000)**, related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project. A further explanation of the MWBE requirements is attached hereto.

▪ **Environmental, Historic and Smart Growth Review:**

Please note in particular the Environmental, Historic and Smart Growth Review requirements at the end of the attached document, which, if applicable, must be satisfied prior to ESD Directors' approval of funding. The ESD Planning & Environmental Review office may contact your office for further information regarding status of the environmental, historic and smart growth review for your project.

▪ **Environmental Sustainability:**

ESD encourages the environmentally sustainable practice of recycling construction and demolition debris rather than disposition in a landfill.

▪ **Insurance Requirements:**

The Recipient shall maintain Commercial General Liability Insurance providing both bodily injury (including death) and property damage insurance in a limit not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) aggregate and Three Million Dollars (\$3,000,000) umbrella. In addition, if the grant contemplates the purchase, construction or renovation of any buildings or equipment, the Recipient shall keep the buildings at the Project Location and the building equipment insured against: (i) loss by fire, (ii) additional perils customarily covered under an all-risk policy and (iii) flood hazard, if the Project Location is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as amended.

▪ **Modification:**

ESD reserves the right to review and reconsider project and property selections in the event of material changes in the project plans or circumstances.

▪ **Reservations of Rights Concerning Funding Commitment:**

It is expected the project will proceed in the time frame set forth by the Applicant. If the implementation of a project fails to proceed as planned and is delayed for a significant period of time and there is, in the exclusive judgment of ESD, doubt as to its viability, ESD reserves the right to cancel its funding commitment to such project.

▪ **Next Steps After Accepting this Incentive Proposal:**

Within approximately 30 days of your acceptance of this Incentive Proposal, your Project Manager will acknowledge receipt of the signed Incentive Proposal and will provide a guide to the ESD Approval and Disbursement Process and relevant contact information. Prior to ESD Directors' approval, ESD will require updated project information and Declarations and Certifications. Please note that ESD Directors' approval typically occurs at project completion.

V. SUMMARY

Total ESD Assistance: \$60,000

Expiration of Proposed Offer:

This proposal expires July 2, 2017 unless endorsed below and received by ESD prior to the expiration date.

Expiration of Accepted Offer:

The accepted proposal expires two years from the date of acceptance by the Recipient. ESD reserves the right to require Recipient to provide any additional information and/or documentation ESD deems necessary.

APPROVED BY:



Date:

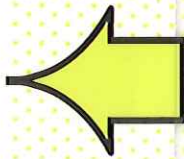
5/30/17

Edwin Lee, Vice President
ESD Loans & Grants
633 Third Avenue
New York, NY 10017
Phone: (212) 803-3618

ACCEPTED BY:

Date:

Matthew Ossenfort, County Executive
Montgomery County
20 Park Street
Fonda, NY 12068
Phone: 518-853-8303



* Please see the following Affirmation page, which must be completed, signed and notarized for this Incentive Proposal to be considered accepted.

AFFIRMATION

STATE OF NEW YORK)
) ss.:
COUNTY OF)

The Undersigned, being duly sworn, deposes and says:

1. I, _____, am the _____ of _____ (the "Recipient"), a unit of government that is duly organized and validly existing under the laws of _____, and is authorized to do business and is in good standing in the State of New York.
2. I have read and know the contents of the Incentive Proposal prepared by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD") dated the ____ day of _____, 20__.
3. I have reviewed all of the information provided by the Recipient to ESD to assist in ESD's preparation of the Incentive Proposal, including information provided on Recipient's behalf by third-party consultants
4. I know all of the information provided by Recipient or its third-party consultants to be true and complete in all material respects. To the extent such information involves projections about future performance, these projections have been prepared in good faith, based upon reasonable assumptions.
5. Recipient did not make a decision to undertake the project described in the Incentive Proposal prior to December 8, 2016
6. Recipient hereby accepts the terms of the Incentive Proposal.
7. Receipt of the Incentive Proposal was a material factor in Recipient's decision to undertake the above-referenced project.
8. Recipient agrees to allow the Department of Taxation and Finance to share Recipient tax information with Empire State Development.
9. Recipient authorizes the Commissioner of Labor to disclose, to employees of both the New York State Department of Labor, the New York State Department of Economic Development, and the Urban Development Corporation, (dba Empire State Development), all records filed by the Recipient in making Unemployment Insurance (U.I.) reports and contributions required by State Labor and Tax Law, including, but not limited to, all information contained in or relating to the quarterly combined withholding, wage reporting and U.I. returns, the registration for U.I., the New Hire file, and all records of U.I. delinquencies. In addition, this authorization shall include all information contained in any survey reports requested by the Department of Labor on behalf of the U.S. Department of Labor, Bureau of Labor Statistics including, but not limited to, the Current Employment, Occupational Employment, multiple worksite, and annual refiling surveys. The use of information and records released pursuant to this authorization shall be limited to government purposes concerning the Recipient and assistance described in this incentive proposal to monitor compliance with worker protection laws and with the conditions and requirements associated with the financial assistance being requested.
10. Recipient certifies, under penalty of perjury, that the Recipient is in substantial compliance with all environmental, worker protection, and local, state and federal tax laws.

Signature

Subscribed and sworn to before me
this ____ day of _____, 20__

Notary Public

ENVIRONMENTAL, HISTORIC AND SMART GROWTH REVIEW REQUIREMENTS

Approval of funding by ESD, a public benefit corporation of the State of New York, requires compliance with environmental, historic and smart growth review requirements under New York State regulations. The information below provides a brief guide to the review processes. If you have any questions about the required documentation or how to proceed in these areas, please contact ESD's Planning & Environmental Review Office at (212) 803-3252 or 3253. **Physical work on an ESD-funded project may not be started prior to the completion of any necessary environmental, historic and/or smart growth review.**

Environmental Review under State Environmental Quality Review Act (SEQRA)(6 NYCRR Part 617)

- Projects or physical activities, such as construction or other activities that may affect the environment by changing the use, appearance or condition of a site or structure require review under SEQRA. Certain listed activities are not subject to any review because they involve actions with little, if any, environmental impact, referred to as "Type II" Actions. Conversely, SEQRA also includes a list of actions that are assumed to be more apt to result in impacts, referred to as "Type I" Actions, which are subject to formal review. If a proposed action is neither listed on the Type II or Type I lists, it is referred to as an "Unlisted Action" and is also subject to review under SEQRA.
- The applicant must demonstrate compliance with SEQRA if the project does not meet the definition of a Type II Action. If SEQRA review is required for the project, the review must be completed by a lead agency such as a municipal planning or zoning board, common council, county industrial development agency, or state regulatory or funding agencies.
- Please note that if the project consists of more than one phase, a SEQRA review must be completed for all known or reasonably foreseeable phases of the project, not only the phase that is the subject of ESD funding. An environmental review of only a portion of a project constitutes improper segmentation under SEQRA and is not accepted except in special circumstances.
- Required SEQRA documentation:

If the project has already been determined to have no significant effect on the environment, the following two documents must be provided:

1. Environmental Assessment Form (EAF) –Short EAF or Full EAF, as appropriate for the project. All parts must be fully completed and approved by the lead agency that reviewed the project; and
2. Negative Declaration

(Note: If the project was approved by a lead agency on or after October 7, 2013, the new EAFs must be used and a separate Negative Declaration form is not required.)

If a Positive Declaration was made for the project, indicating that the project may have a significant adverse impact on the environment, the following documents must be provided:

1. Draft and Final Environmental Impact Statement (DEIS and FEIS) – digital copy is preferable; and
2. Lead Agency Statement of Findings

- If your SEQRA review has not yet been completed, please provide in an addendum to this application information about the status of the review and designated lead agency for the review, and submit "Part 1" of a Short EAF or Full EAF as appropriate for your project. Subsequent EAF Parts are completed by the lead agency based upon the information you include in Part 1.

For further information about SEQRA, please visit the New York State Department of Environmental Conservation's web site at <http://www.dec.ny.gov>.

Historic Review

- Projects involving a building, structure, district, or site, including underground or underwater sites, listed on or eligible for listing on the State or National Register of Historic Places (S/NRHP) must be evaluated by the State Historic Preservation Office (SHPO) of the New York State Office of Parks, Recreation and Historic Preservation in accordance with Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law.
- Buildings that are more than 50 years old and/or those that are historically, architecturally, or culturally significant, as well as project locations wholly or partially within an identified archeologically-sensitive area or a land area that typically contains archeological resources, may meet the eligibility criteria for S/NRHP listing.
- The applicant must demonstrate compliance with Section 14.09. In order to initiate the SHPO consultation process, the applicant must submit the project for review by SHPO through the Cultural Resources Information System (CRIS) found at <https://cris.parks.ny.gov/Default.aspx>. Upon completion of the SHPO consultation process, SHPO will determine whether or not the project will have an adverse impact on historical or cultural resources and will provide a letter of comment on the project.
- Required SHPO documentation:
 - Letter of No Adverse Impact determination or
 - Letter of Resolution – required if SHPO determines that the project will have an Adverse Impact on historic or cultural resources.

Smart Growth

The State Smart Growth Public Infrastructure Policy Act of 2010 requires that public infrastructure projects approved, undertaken, supported or financed by a State Infrastructure Agency, which includes ESD, to the extent practicable, are consistent with relevant Smart Growth Criteria specified in the law. Projects that involve ESD approval of funding for public infrastructure (e.g., publicly-supported roads, bridges, streetscapes, other transportation systems, drinking water, sewers, drainage systems, and utilities) will require the completion of a Smart Growth Impact Statement prior to approval of funding. (Note: Projects that only involve Excelsior Jobs Tax Credits do not require Smart Growth review.) ESD staff will advise you if a Smart Growth Impact Statement is required.

PARTICIPATION REQUIREMENTS FOR NEW YORK STATE CERTIFIED MWBEs

ESD is required to comply with and implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 (MWBE Regulations) for all State contracts as defined therein, with a value (1) in excess of \$25,000 for labor, services, equipment, materials, or any combination of the foregoing or (2) in excess of \$100,000 for real property renovations and construction.

Approval of funding by ESD, a public benefit corporation of the State of New York, is conditioned upon and subject to the following requirements:

- a) Recipient agrees to fully comply and cooperate with ESD in the implementation of New York State Executive Law Article 15-A. These requirements include contracting opportunities for *New York State certified* Minority-owned Business Enterprises ("MBEs") and Women-owned Business Enterprises ("WBEs"), collectively MWBEs.
- b) For purposes of this project, ESD hereby establishes the following MWBE participation requirements:

Overall MWBE Participation Requirement: 30% (totaling no less than \$18,000)

- c) For purposes of providing meaningful participation by MWBEs on the project and achieving the project goals established herein, Recipient should reference the directory of New York State certified MWBEs found at the following internet address:

<https://ny.newnycontracts.com>

Additionally, Recipient may contact ESD's Office of Contractor and Supplier Diversity (OCSD) to discuss additional methods of maximizing participation by MWBEs on the project.

- d) Recipient is required to submit a completed Non-Discrimination and Equal Employment Opportunity Policy Agreement (Form OCSD-1) prior to the first disbursement.
- e) For all incentives where ESD's effective contribution is equal to or greater than \$250,000, the Recipient and any contractors or sub-contractors are required to provide to OCSD a MWBE Staffing Plan (Form OCSD-2) prior to the first disbursement and a final Workforce Compliance Report (Form OCSD-3) prior to the final disbursement of project funds. If the first disbursement is also the final disbursement, the Recipient may submit only the final Workforce Compliance Report.

- f) Recipient is required to submit a MWBE Utilization Plan (Form OCSD-4, also known as the MWBE Participation Plan) not later than ten (10) days after the execution of this Incentive Proposal.
- If additional time is required to prepare an acceptable and effective MWBE Utilization Plan, the Recipient may submit a written extension request to the OCSD or the respective OCSD assigned project manager. The extension request must provide an explanation regarding why additional time is needed and provide an estimated date of submission for the MWBE Participation Plan.
 - Any modifications or changes to the MWBE Participation Plan after the execution of this Incentive Proposal and during the performance of the project must be reported on a revised MWBE Utilization Plan and submitted to OCSD for approval.
- g) ESD will review the submitted MWBE Utilization Plan and advise the Recipient of acceptance or issue a notice of deficiency within twenty (20) days of receipt.
- h) If a notice of deficiency is issued, Recipient agrees that it shall respond to the notice of deficiency within seven (7) business days of receipt by submitting to OCSD a written remedy in response to the notice of deficiency. If the written remedy that is submitted is not timely or is found by ESD to be inadequate, ESD shall notify the Recipient and direct the Recipient to submit, within five (5) business days, a request for a partial or total waiver of MWBE participation goals (Form OCSD-5, Waiver Request). Failure to file the waiver request in a timely manner may result in a finding that Recipient has intentionally or willfully failed to comply with the requirements of Article 15-A of the Executive Law and the MWBE provisions outlined herein.
- i) ESD may find that Recipient has willfully or intentionally failed to meet the MWBE project requirements under the following circumstances:
1. If a Recipient fails to submit a MWBE Utilization Plan;
 2. If a Recipient fails to submit a written remedy to a notice of deficiency;
 3. If a Recipient fails to submit a request for waiver; or
 4. If ESD determines that the Recipient has failed to document good faith efforts.
- j) Recipient shall attempt to utilize, in good faith, any MBE or WBE identified within its MWBE Utilization Plan, during the performance of the project. Requests for a partial or total waiver of established goal requirements made subsequent to the execution of the Incentive Proposal may be made at any time during the term of the project to ESD, but must be made no later than prior to the submission of a request for final payment on the project.
- k) Recipient is required to submit a Periodic MWBE Contractor Compliance & Payment Report (Form OCSD-6) to the OCSD by the 10th day following each end of quarter over the term of the project documenting the progress made toward achievement of the MWBE project goals. This report may be submitted monthly or quarterly. However, it may not be submitted less frequently than on a quarterly basis.

Periodic compliance and payment reports may also be submitted electronically through the New York State Contract System, found at <https://ny.newnycontracts.com>. The Contract System provides automated electronic alerts to the Recipient and any identified sub-

contractors and sub-vendors and allows for the electronic reporting and confirmation of the relevant data by all tiers of identified subcontractors. For additional information regarding this process, please contact OCSD.

- l) Good Faith Efforts is the standard applied to the MWBE participation requirements in all applicable ESD incentives. Recipients shall adhere to this standard and ensure that proactive and ongoing efforts are made throughout the length of the project to include MWBE participation in all categories where MWBE participation potential exists. Good Faith Efforts include, but are not limited to, the following factors:
- Unbundling of contracts to facilitate MWBE participation in the project scope.
 - Direct solicitation of New York State certified MWBE firms.
 - Inclusion of enforceable MWBE requirements in all subsequent contractual agreements, in accordance with the goals stated herein (item b, above).
 - Monitoring and enforcement of contractual MWBE requirements in subsequent agreements.
 - Timely submission of relevant forms, including MWBE Participation Plans and Quarterly or Monthly Compliance Reports.
 - Maintenance of detailed records supporting the Recipient's efforts to include the participation of MWBE firms in the project.

For additional details regarding Good Faith Efforts, please review section 142.8 of NYCRR5 (MWBE Rules and Regulations), found at:

http://esd.ny.gov/MWBE/Data/OFFICIAL_COMPILATION_OF_MWBEREGS.pdf

- m) Where MWBE goals have been established herein, pursuant to 5 NYCRR §142.8, Recipient must document "good faith efforts" to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the project. The Recipient acknowledges that if Recipient is found to have willfully and intentionally failed to comply with the MWBE participation goals and requirements set forth herein, such a finding may result in the recapture of grant proceeds. Such MWBE Recapture shall be calculated as an amount equaling the difference between: (1) all sums identified for payment to MWBEs had the Recipient achieved the MWBE project goals; and (2) all sums actually paid to MWBEs for work performed or materials supplied under the project.
- n) Recipient's demonstration of Good Faith Efforts shall be a part of these requirements. These provisions shall be deemed supplementary to, and not in lieu of, other applicable federal, state or local laws.

Any questions relating to the MWBE requirements stated herein may be directed to ESD's Office of Contractor and Supplier Diversity at ocsd@esd.ny.gov. Recipient may also address any inquiries relating to the above MWBE requirements to the respective OCSD project manager.

Documents relating to MWBE requirements outlined herein must be provided to OCSD in one of the following ways:

1. In an email to ocsd@esd.ny.gov or
2. the New York State Contract System (<https://ny.newnycontracts.com>) or
3. through postal mail, addressed to:

Empire State Development
Office of Contactor & Supplier Diversity
633 Third Avenue, 35th Floor
New York, NY 10017

All communications to OCSD must clearly identify the project in question and provide pertinent details.