



Department of
Transportation

Request for Information

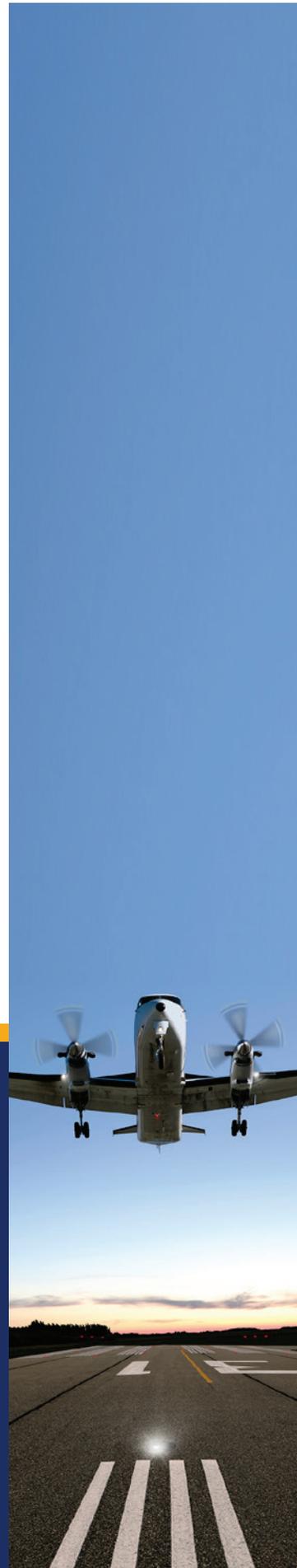
(RFI#2014-45)

for
**OPERATIONAL
SERVICES
AT
REPUBLIC
AIRPORT
FOR NYSDOT**

December 2, 2014

New York State
Department of Transportation

Contract Management Bureau
50 Wolf Road, 6th Floor
Albany, New York 12232



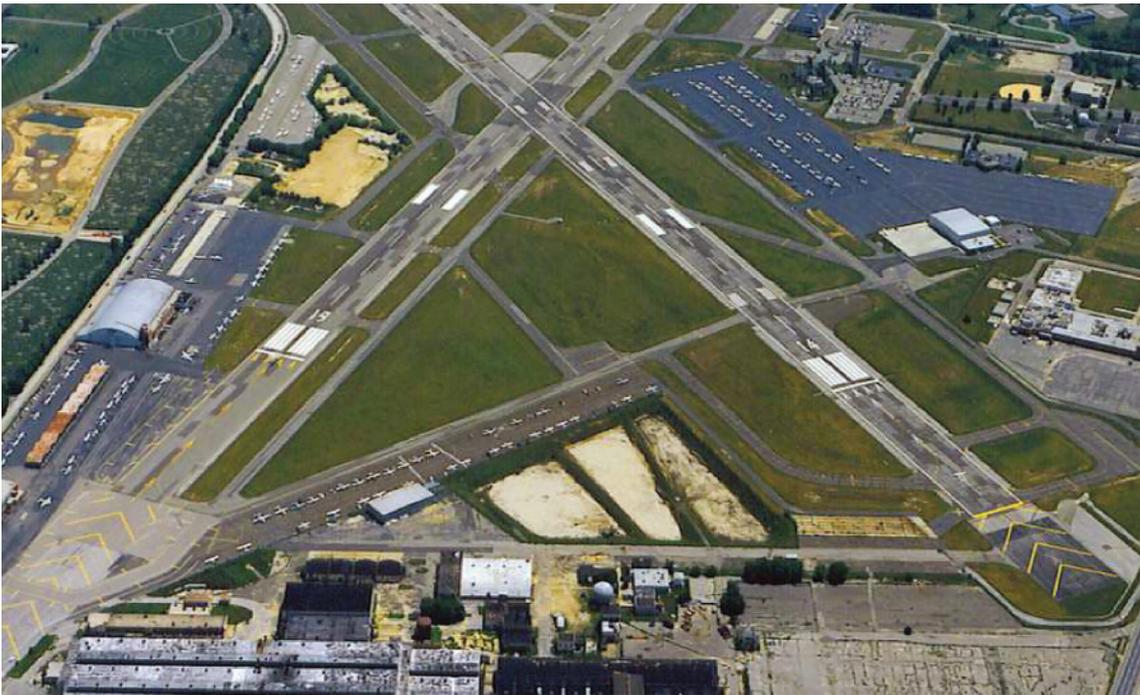


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NEW YORK STATE
DEPARTMENT OF TRANSPORTATION
**OPERATIONAL SERVICES
AT REPUBLIC AIRPORT
FOR NYSDOT**

Request for Information

The New York State Department of Transportation (NYSDOT) hereby issues this "Request for Information" (RFI) to determine interest from capable operators to operate a general aviation facility at Republic Airport, which is located in East Farmingdale, Suffolk County, NY (Long Island).

Note: This IS NOT a Request for Proposals.

1) INTRODUCTION

NYSDOT is seeking expressions of interest as well as general information from qualified operators for the long-term operation and/or purchase of the State-owned Republic Airport. If NYSDOT advertises for competitive proposals, it is anticipated that a selected operator will provide Republic Airport services for an a period of no less than 40-years and/or will initiate, on behalf of New York State, the process for privatizing Republic Airport. Additional information on the Federal Aviation Administration's FAA Airport Privatization Pilot Program can be found at http://www.faa.gov/airports/airport_compliance/privatization.

NYSDOT will consider RFI responses from any airport operator potentially interested in providing operational services at Republic Airport. For more information regarding Republic Airport, please visit: www.republicairport.net.

NYSDOT is seeking information regarding the following items of interest:

- Firms who are capable of operating an FAA Part 139 certificated airport on a seven-day-week, 24 hours per day basis. Complying with all FAA Part 139 requirements is an essential criterion that will be evaluated.
- Ways to maintain and improve operating efficiencies of the Airport
- Firms who are responsible for handling on-airport operating finances and revenues
- To serve as NYSDOT's agent for the Republic Airport Commission
- Ability to comply with a 30% M/WBE contract requirement
- To coordinate with separate marketing operators (with the latter fully responsible for all marketing and business development at the Airport)

1.1) NYSDOT RFI CONTACT INFORMATION

NYSDOT Contact Person: All questions regarding NYSDOT's Republic Airport RFI must be submitted in writing, via e-mail preferably to:

Mr. Al Hasenkopf,
Contract Management Specialist II
NYSDOT Contract Management Bureau
50 Wolf Road, 6th Floor
Albany, NY 12232
E-mail: alfred.hasenkopf@dot.ny.gov
Fax: 518/457-8475

NYSDOT may issue announcements amending this RFI in response to vendor questions. In addition, after reviewing RFI responses, NYSDOT may request clarifying information from vendors who offer information of specific interest to NYSDOT. NYSDOT also reserves the right to interview firms providing RFI responses to which NYSDOT may seek further information.

1.2) RFI QUESTIONS AND ANSWERS SCHEDULE

Should sufficient questions be posed regarding this RFI, NYSDOT may publicly provide answers, posting Q&A before the RFI submission deadline. To fit within this schedule, questions regarding this RFI are due via e-mail to alfred.hasenkopf@dot.ny.gov by Friday, December 23, 2014. NYSDOT will endeavor to post answers by Monday, January 5, 2015. NYSDOT is under no obligation to respond to questions submitted after the deadline yet may consider late questions (if in the best interest of all parties). NYSDOT also reserves the right to amend the RFI response submission schedule, depending upon the extent of the questions received.

1.3) OPTIONAL REPUBLIC AIRPORT SITE VISIT

To assist interested parties with preparing RFI responses, an OPTIONAL Site Visit may be held on December 18, 2014 at 10am at the Republic Airport's Main Terminal, 7150 Republic Airport, East Farmingdale, NY 11735, Room 201. A tour of the facility shall be given, with opportunities for interested parties to pose relevant questions. NYSDOT will either respond to questions or document questions for later response. This feature of this RFI is optional and will only occur should interested parties request to see the Airport at least two weeks prior to RFI response submission. Parties interested in attending the optional site visit must register with the RFI Contact Person. For security purposes, you must provide firm name and names/titles of attendees. The number of attendees is limited to three (3) people per interested party.



2) BACKGROUND

2.1) ABOUT REPUBLIC AIRPORT

Occupying 526 acres in East Farmingdale, New York, Republic Airport is one of 12 airports on Long Island. The original airport layout plan (ALP) was prepared in 1927 and was adopted shortly thereafter. Republic Airport was originally developed by Sherman Fairchild and began operation in the Spring of 1928. During these early years the flying field was used to test aircraft made by Fairchild, American, Grumman and Seversky.

In 1965, Fairchild Hiller Corporation acquired Republic Airport and sold it to Farmingdale Corporation. In December 1966, the airport became a general aviation airport. By March 1967, the airport was of interest to the Metropolitan Commuter Transportation Authority as a means of meeting demands of aviation on Long Island. Recognizing the airport as an asset, Metropolitan Transportation Authority two years later acquired the airport at the cost of \$25 Million. Ownership of the airport was transferred to the New York State Department of Transportation (NYSDOT) in April 1983, in order to promote economic development in the surrounding Long Island region. As a general aviation and reliever facility, Republic Airport generates \$214 million in economic impact to Nassau and Suffolk Counties each year.

Today, Republic Airport is clearly postured for its many business aviation customers and is poised to attract new industries. Airport facilities include two fixed based operators to serve the needs of corporate and light general aviation customers. There is also a two-story terminal building that serves passengers ready to board charter flights to Atlantic City and other short distance destinations. The Main Terminal facility has also accommodated a number of aviation related events open to the public.

Republic Airport is home to The American Air Power Museum and the Long Island Republic Airport Historical Society. The American Air Power Museum welcomes aviation enthusiasts from around the world. The facility offers visitors the opportunity to see and hear WWII aircraft in flight.

2.2) VISION FOR REPUBLIC AIRPORT

On October 20, 2014, Governor Andrew M. Cuomo announced as part of his plan to modernize airports in the New York City metro area that the State is looking to leverage the unique economic development opportunity at Republic Airport to further support job creation and growth in New York State. In order to induce economic development on over fifty acres of State land in and around the airport, the Governor has proposed creating a tax-free STARTUP NY Zone at Republic Airport, with the goal of growing upon the economic success of the airport that supports over 1,300 jobs on Long Island today. For more information regarding the opportunities at Republic Airport, please see Appendix A.

Empire State Development (ESD) is New York State's primary agent for economic development, dedicated to making New York the most compelling place in which to live, work and do business. ESD works in partnership with the public and private sectors to create an environment that spurs innovation and economic development while enhancing New York State's competitive advantage as the world capital for many industries, ranging from finance and media to technology and agriculture. Respondents are encouraged to browse ESD assistance programs at: <http://esd.ny.gov/BusinessPrograms.html>. Included in Appendix B is information on the STARTUP NY Program and Excelsior Jobs Program.

2.3) REPUBLIC AIRPORT OPERATION ACTIVITIES

To assist potentially interested RFI respondents, the following list of current Republic Airport operational activities is presented:

1) Maintenance and Repair Services

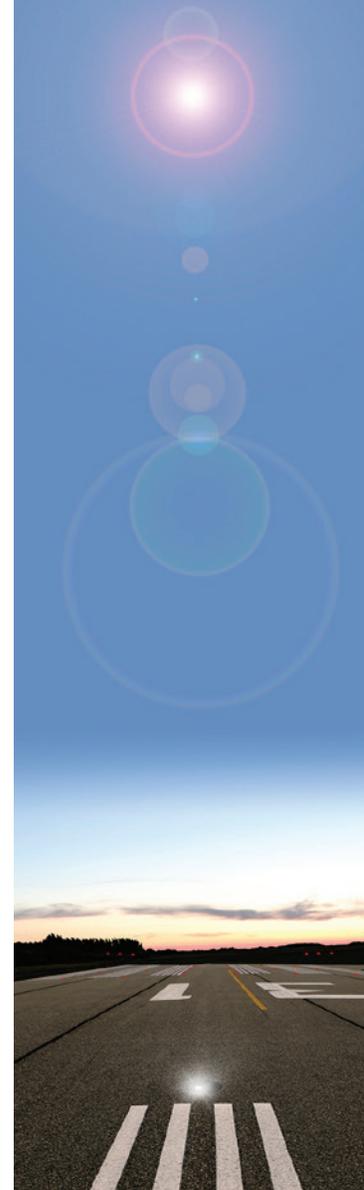
A qualified operator shall maintain and repair (structurally and otherwise) in a good, workmanlike manner and/or enforce the obligations of any tenant to maintain and repair in such a manner all of the following:

- a. All runways, ramps and taxiways;
- b. All runway and taxiway lights, markings and striping;
- c. Maintain all navigation aids which are not maintained by the Federal Aviation Administration (hereinafter "FAA");
- d. All vehicles, equipment, machinery and tools provided by the State;
- e. All airport grounds (including, without limitation, perimeter fences, grass cutting and removing or topping trees and shrubs where and when necessary); and
- f. All airport buildings and structures including, without limitation, plumbing, electrical, sprinkler, heating and air conditioning systems, apparatus and equipment and the provision of janitorial services for the administration/ terminal building, as required by normal use.

2) Aviation Support Functions

In a manner consistent with sound airport operating and safety practices, a qualified operator shall assist NYSDOT with the following activities:

- a. In the absence of a Fixed Base Operator, Operate or cause the airport fuel farm(s) to be operated having due regard for the operational requirements of the suppliers of petroleum products at the Airport;
- b. Operate directly or through a third party the public ramp area(s) for the benefit of users thereof;
- c. Conduct airport security functions to ensure the safe operation of all airport functions and to protect lives and property from malicious acts. The functions shall be performed in accordance to accepted industry practices for airport security and be implemented in a manner that ensures compliance with the New York State 2004



- Anti-Terrorism Preparedness Act and Transportation Security Administration (TSA) requirements;
- d. Prepare, maintain and enforce an Airport Security Plan, including regular surveillance of the airport perimeter as well as the property north of Conklin Street, procedures for signing and marking, operation of gates and entrances, terminal operation, consistent with all applicable FAA, New York State, Homeland Security and NYS Police requirements;
 - e. Expediently remove or cause snow and ice to be removed from all runways, taxiways, and public ramps, parking lots and access roads;
 - f. Visually check for, clean and remove all foreign objects from all runways, taxiways, and public ramps and parking areas; and
 - g. Upon written direction received from NYSDOT, provide as a fixed based operator those services required by airport users that are available and practicable to render. These services, such as aircraft fueling, handling, storage and maintenance, may be provided directly or indirectly by the operator.

3) Plans, Rules and Regulations

A qualified operator shall assist NYSDOT, subject to the specified time limitations, with the following activities:

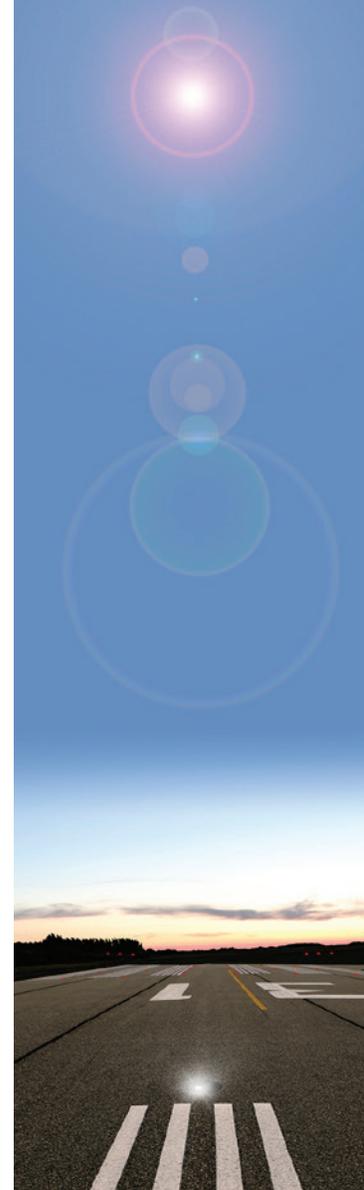
- a. Prepare and submit proposed revisions of the Airport's Emergency Contingency Plan to NYSDOT for review and approval, within ninety (90) days from the effective date of a signed contract between the State and operator. Such Plan shall set forth effective procedures, in conformity with applicable federal, state and local laws, rules and regulations, to be implemented at the Airport in the event of: aircraft crashes, incidents and/or accidents, both at the Airport and in the immediate vicinity; fires; hijackings; bombings; personal accidents; sudden illness; natural disasters or any other emergency which might affect or imperil the health, safety or security of persons or property or orderly and efficient airport operation. Said Plan shall be reviewed annually by the operator or at such intervals as required by NYSDOT and proposed revisions shall be submitted to NYSDOT as appropriate;
- b. Provide such facilities, training, supervision and coordination as may be reasonably required to implement the Emergency Contingency Plan as required;
- c. Prepare and submit the Airport's Community Information and Relations Plan to NYSDOT no later than ninety (90) days after the effective date of a signed contract between the State and operator. As revised, such Plan shall identify all areas of community concern and interest in the Airport and shall set forth specific, affirmative proposals and programs in response to such interests. The operator shall implement such Plan in the form approved by NYSDOT. Said Plan shall be thereafter reviewed by the operator on an annual basis and proposed revisions shall be submitted to NYSDOT as appropriate;

- d. Review and submit proposed revisions, if any, to the existing Airport Rules and Regulations and the Airport's Minimum Standards for the Conduct of Aeronautical Activities to NYSDOT, no later than ninety (90) days after the effective date of a signed contract between the State and operator. The operator shall review such rules and regulations on an annual basis thereafter and submit proposed revisions as required to NYSDOT;
- e. Maintain and periodically update, as required by NYSDOT, the Airport's Noise Abatement Program and associated noise contours; and
- f. Assist the Department to address ensuring compliance with established airport operating protocols. Assist the Department to maintain compliance with all FAA Part 139 requirements. Assist the Department to update an Airport Certification Manual as required.

4) State Contracts with Third Parties

A qualified operator shall assist NYSDOT with the following contractual activities:

- a. Perform, on behalf of the State, all State obligations pursuant to existing and future agreements with fixed base operators and other tenants and concessionaires at the Airport;
- b. Perform, under the direction of the State, all State obligations pursuant to agreements with governmental entities, including the Federal Aviation Administration and local municipalities;
- c. Assist the State in developing and preparing written documents in accordance with applicable federal, state and local laws, rules and regulations, for the procurement of such aviation and related services, equipment, materials and supplies as may be necessary or desirable for proper operation of the Airport (all purchases shall be performed in accordance with New York state purchase requirements);
- d. In connection with the solicitation of proposals and negotiation of such leases, concessions and other agreements as may be necessary or desirable for the proper operation of the Airport in accordance with federal, state and local laws, rules and regulations, the operator shall advise and recommend specific programs and courses of action to NYSDOT and shall, on behalf of NYSDOT, implement such programs and courses of action in conformity with applicable law and Department procedures;
- e. Monitor and enforce, on behalf of and as required by the State, all State agreements with airport concessionaires, tenants and contractors, other than construction contractors, to ensure full and complete compliance with the terms and conditions contained in such agreements, to ensure that such agreements are carried out in a manner which is consistent with the proper operation of the Airport, provide coordination to avoid or minimize disruption of airport operations and services and, on behalf of the State, perform or cause to be performed all obligations imposed on the State pursuant to such agreements;



- f. As required by NYSDOT, administer airport agreements (leases, licenses, permits, concession agreements, contracts other than construction contracts, etc.) to include the preparation of lease abstracts, monitoring the current status of such agreements and ensuring timely billing change notifications;
- g. Notify NYSDOT at least six (6) months in advance of the forthcoming expiration, change or other deadline relative to leases, contracts and agreements at or concerning the Airport;
- h. Procure such aviation and related services, equipment, materials and supplies as may be necessary for the proper operation of the Airport. To the extent that the purchase price of any piece of equipment has been reimbursed to the operator as part of the expense of operation of the Airport, the operator shall transfer title to such equipment to the State upon expiration or termination of this Agreement. The operator shall obtain prior approval of NYSDOT for all equipment purchases valued in excess of \$2,500. All such equipment shall be added to NYSDOT's inventory when purchased and shall be subject to NYSDOT's inventory control procedures; and
- i. The operator will be accountable and responsible for all State-owned equipment assigned to the Airport and will be responsible for replacing or reimbursing the State for any missing equipment.

5) Reports and Documents

A qualified operator shall assist NYSDOT with the following reporting and documentation activities:

- a. Prepare and submit such reports and statistical data as may from time to time reasonably be requested by NYSDOT and such reports as are required pursuant to an operator contract with NYSDOT; and
- b. As required by NYSDOT, assist in the preparation of all applications and requisite supporting documentation for Federal and State grants for financial assistance in support of airport development, planning and operations.

6) Accounting and Financial Services

In accordance with generally accepted accounting principles, a qualified operator shall assist NYSDOT with the following activities which are to be consistently applied and utilizing cash basis accounting:

- a. Process airport receipts and documents;
- b. Prepare monthly income and expense statements on both cash and modified accrual basis;
- c. Balance and reconcile airport operating accounts;
- d. Prepare airport billings and accounts receivable reports;
- e. Bill, on behalf of the State, all monies due to the State in connection with the Airport, including but not limited to monies due pursuant to leases, contracts, concession agreements, and arrangements with other persons conducting operations at the Airport;

- f. Collect all monies billed pursuant to subparagraph (5), Reports and Documents, and all airport fees including but not limited to airport landing fees under then current procedures; the operator shall use good business practices consistent with Department policy to collect all aforesaid monies but shall in no event be liable for bad debts;
- g. Deposit on a daily basis all monies collected from the operation of the Airport in an account established by the State for such purpose;
- h. Disburse funds as required to meet expenses incurred pursuant to the Approved Operating Budget; and
- i. Assist NYSDOT in processing aging accounts receivable.

7) Operating Budget Projections

A qualified operator shall assist NYSDOT to prepare and submit to NYSDOT, prior to January 1st of each year, a written report setting forth and explaining the projected Airport operating expenses to be incurred and revenues to be collected for the coming State Fiscal Year, based upon line-by-line analyses of actual expenditures in past years, supplemented by known or likely changes. These projections are to be provided for the subsequent four years.

8) Attendance at Conferences and Meetings

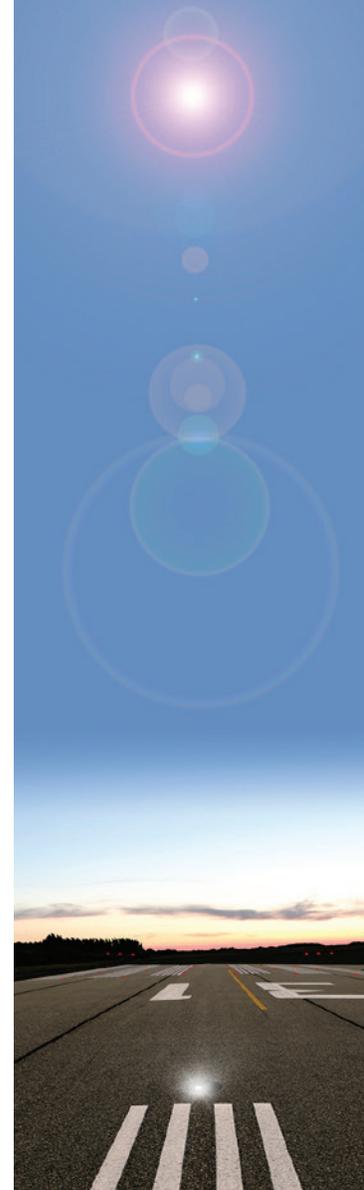
A qualified operator shall assist NYSDOT with the following activities:

- a. Attend meetings of the Airport Commission and assist NYSDOT as requested in its relations with the Commission pursuant to State law;
- b. Confer with NYSDOT and attend meetings with officials and others persons as reasonably requested by NYSDOT to discuss matters relating to the Airport; and
- c. Confer and cooperate with groups interested in the operation of the Airport.

9) Miscellaneous Services

A qualified operator shall assist NYSDOT with the following activities:

- a. Cooperate and assist NYSDOT in dealing with the FAA, Airport Commission and all federal, state and local agencies in all matters relating to the operation of the Airport;
- b. Use its best efforts to ensure that those utilizing the Airport as pilots or aircraft operators do so in the most noise conscious manner possible so as to minimize any adverse impact to the extent possible, consistent with safety and prudent aviation practices and procedures;
- c. Provide technical advice on airport operations, maintenance and development programs and projects;
- d. In cooperation with Empire State Development (ESD) encourage the investment of private capital at the Airport and the economic development of the area (Appendix A and B);



- e. In the performance of all activities related to the operation and development of new business at the Airport, comply with all applicable federal and state requirements regarding affirmative action and the utilization of minority-owned and women-owned business enterprises (M/WBES);
- f. Use its best efforts to attract such prospective tenants, concessionaires and users as may be desirable for the Airport;
- g. Maintain Department property and equipment records as prescribed by NYSDOT;
- h. Assist NYSDOT in the preparation and maintenance of capital control inventories of all Department equipment, vehicles, machinery, tools and personal property situated at the Airport; and
- i. Any other consulting services as requested by NYSDOT consistent with the safe and efficient operation of the Airport per a contract with NYSDOT.

10) Personnel

A qualified operator may be required to provide the following on-Airport personnel:

- Airport Manager and Assistant Airport Manager
- Operations Manager, Operations Supervisors, and Operation Coordinators
- Maintenance Manager with Lead, Senior and Maintenance Technicians
- Access Control Compliance Supervisor
- Code Inspection Officer
- Accounting Manager and Accounting Assistant
- Administrative Assistant
- Temporary Summer employees

3) RFI RESPONSE REQUIREMENTS

3.1) COVER LETTER

Interested Entities are encouraged to submit a written “Letter of Interest”, including a cover letter on company letterhead, characterizing your interest and background, and providing information pertaining to airport operations capability, high level concepts for improving operational efficiency, and practical knowledge regarding FAA Part 139 requirements. The cover letter should be no more than one or two pages. These are the only informational items being sought. NYSDOT may, at its discretion, invite interested entities to visit the Department at its Main Offices, 50 Wolf Road, Albany, New York, for further discussions pursuant to NYSDOT’s further interests in the information provided by RFI respondents.

Note: This IS NOT a Request for Proposals. It is an invitation to provide NYSDOT with information and interest expressions to assist NYSDOT to operate Republic Airport. Information obtained may be used to develop a needs requirement upon which a future procurement might be based. If further discussion is required or should questions arise prior to submission of RFI responses, please contact the NYSDOT contact person listed below.

The respondent should provide a cover letter (limited to no more than 2 pages in length) that includes the following corporate information:

- Company Name (full legal name)
- Contact Name(s) with Title(s)
- Phone Number(s)
- E-mail Addresses
- Mailing Address
- Fax Number

Note: Provide additional contact persons as needed.

3.2) COMPANY LITERATURE

Provide company literature and brochures description of such services and products. There are no limits regarding number of pages. While additional information links are not disallowed, NYSDOT prefers not to receive links wherein pertinent information is available but requires extensive searching.

3.3) GENERAL AVIATION AIRPORT OPERATIONAL AND SUPPORTING SERVICES

- Your response should include general information regarding operating an airport like Republic as well as general descriptions of your experience with comparable past and/or ongoing airport operational engagements other clients. There are no limits regarding number of pages.
- Describe the services you’re currently providing current/past clients as well as relating these to the activity descriptions listed in this RFI. Include descriptions regarding supplying third party services.
- Discuss your approach towards ensuring qualified operating personnel are available for your current general aviation service arrangements. Discuss how you handle your on-side locational aspects of service provisions vis-a-vis your home office location(s). Should you’ve more than one home office, please describe how services are coordinated/provided from such.
- Describe the financial aspects of the general aviation operational services you’re currently providing current/past clients. Does your firm generally pay upfront for all such services, to be monthly reimbursed? What financial security provisions do you invoke should your operational services include handling on-airport revenues?
- Provide general, high level recommendations regarding how to improve operational efficiencies at Republic Airport.
- Respondents are free to provide any additional, related information regarding general aviation operational services that may help NYSDOT to more fully understand your response.



3.4) RFI DUE DATE

RFI responses are due Friday, January 30, 2015. Please regular mail/e-mail send your RFI responses to the addresses listed below. Given that this is not a competitive solicitation but a request for general information instead, NYSDOT reserves the right to consider and include late submissions.

3.5) RFI RESPONSE ADDRESS

Mail and E-mail Republic Airport Operations Request for Information (RFI#2014-45) to:

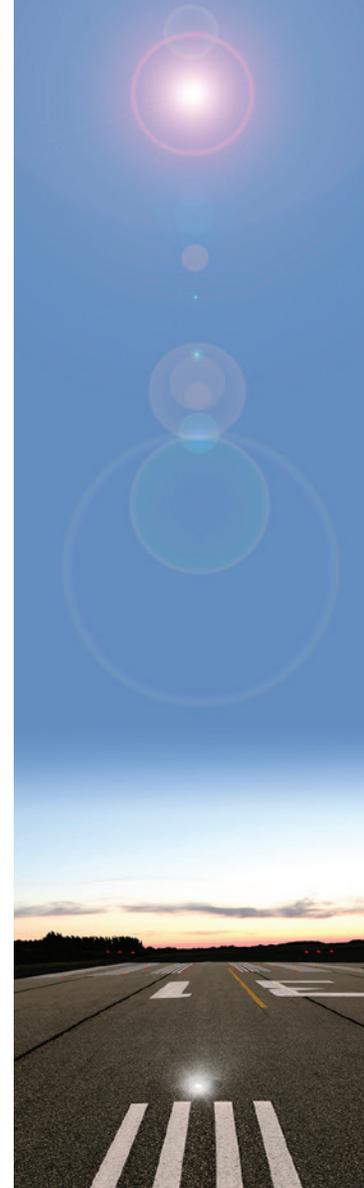
- **US Mail:**

Mr. William A. Howe, Director
New York State Department of Transportation
Contract Management Bureau
50 Wolf Road, 6th Floor
Albany, NY 12232
Attention: Mr. Al Hasenkopf, RA Ops RFI #2014-45

- **E-mail:**

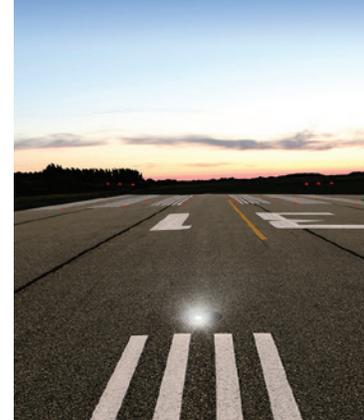
alfred.hasenkopf@dot.ny.gov

Respondents who mail their "Expression of Interest" are requested to provide an electronic copy in MS Word and PDF Format. These formats are also required for E-mail submissions.



APPENDIX A

Republic Airport has space for development or redevelopment in a number of areas, both airside (contiguous with the airfield) and landside (non-contiguous properties). Below is a map depicting current opportunities.

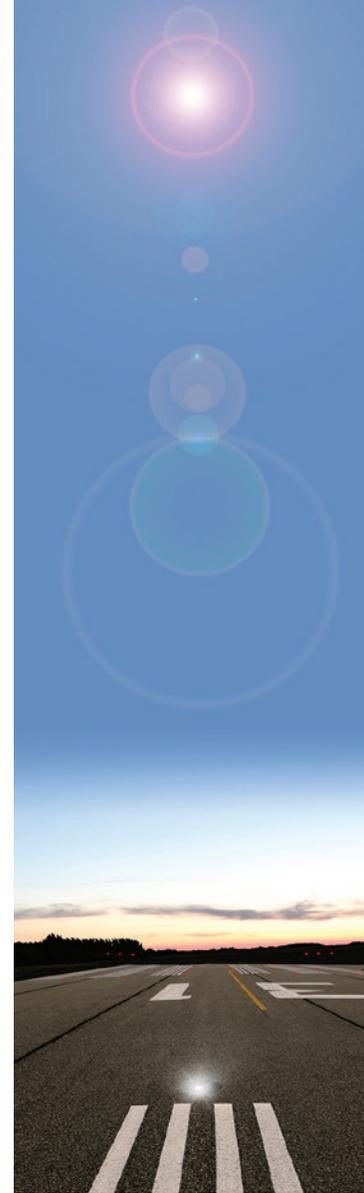


PARCEL 1

Acres: Approximately 18 acres

FAA Preferred Use: A portion of the site should include aeronautical uses

Adjacent uses: Industrial and recreational

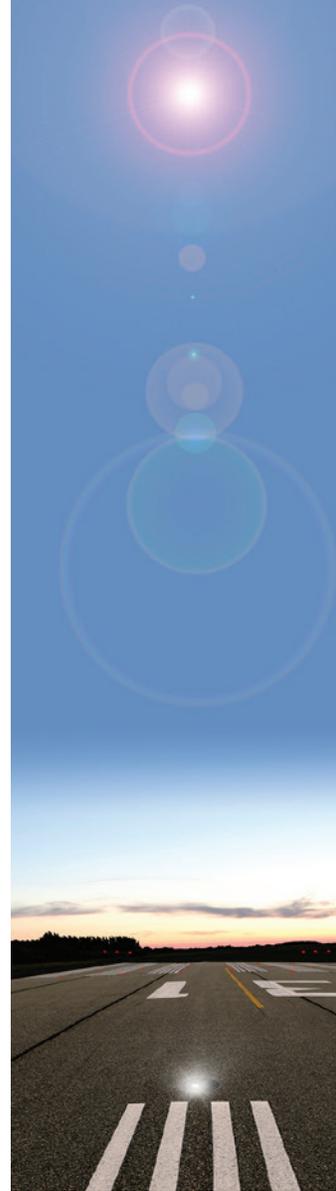


PARCEL 2

Acres: Approximately 7 acres

FAA Preferred Use: Aeronautical uses

Adjacent uses: Industrial and recreational



PARCEL 3

Acres: Approximately 12.5 acres

FAA Preferred Use: None

Adjacent uses: Industrial and recreational



NOTE: This site is adjacent to the former Republic LIRR stop, which was closed in 1986. The MTA has identified the opportunity to reopen the station as part of the LIRR Double Track project which is currently underway. For more information visit: <http://web.mta.info/lirr/doubletrack>. In addition, the site is listed on the EPA Region 2 Cleanup Sites list.

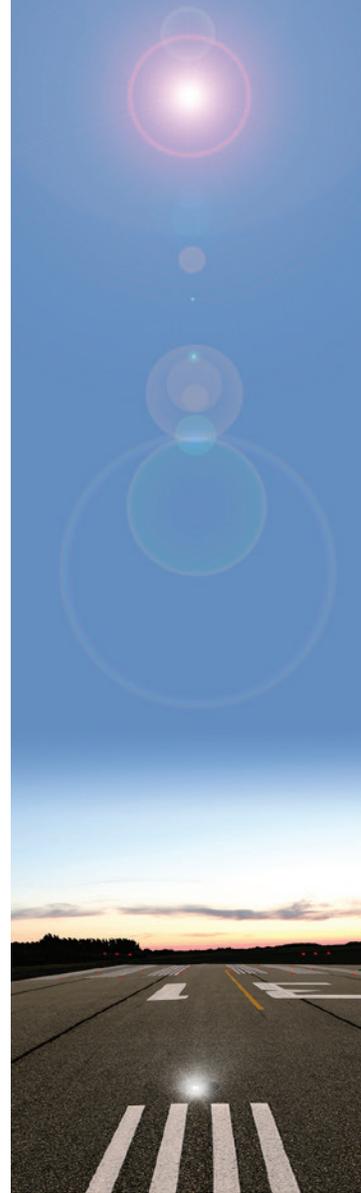


PARCEL 4

Acres: Approximately 5.5 acres

FAA Preferred Use: None

Adjacent uses: Commercial and State Police

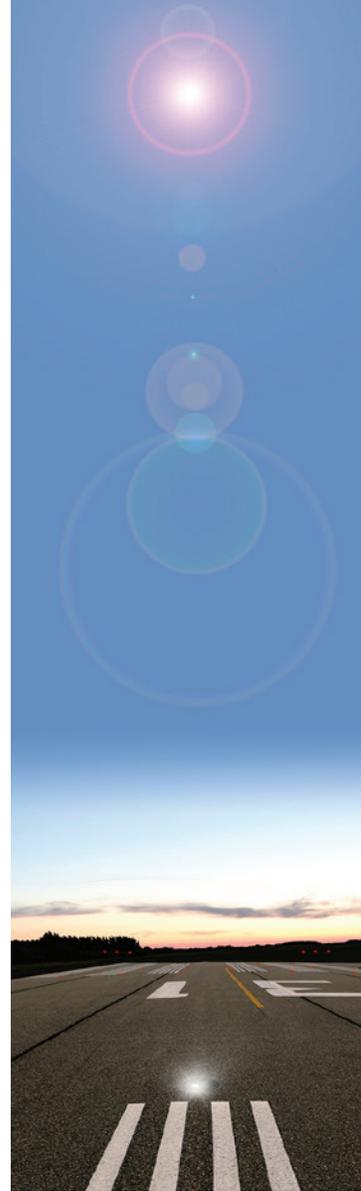


PARCEL 5

Acres: Approximately 6 acres

FAA Preferred Use: None

Adjacent uses: Commercial

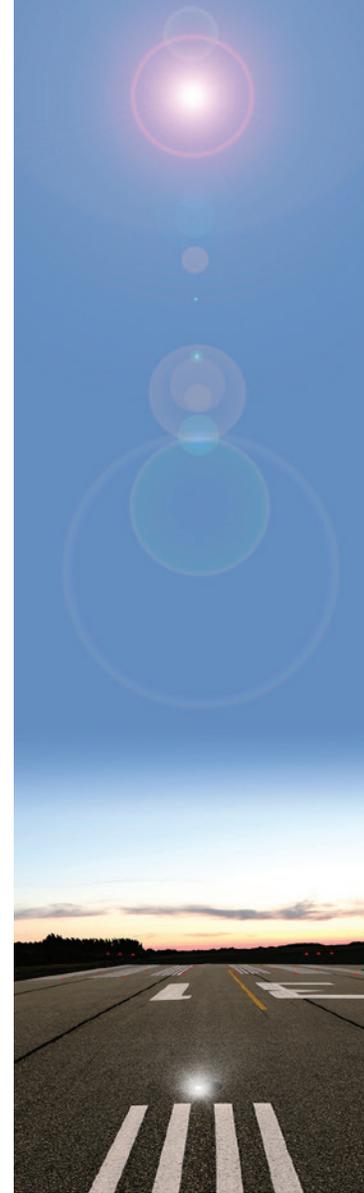


PARCEL 6

Acres: Approximately 5 acres

FAA Preferred Use: None

Adjacent uses: Commercial and Airport Terminal



APPENDIX B

About START-UP NY

Tax-Free: Participating companies in START-UP NY will not pay any taxes (no income tax; no business, corporate state or local taxes; no sales tax; no property tax; and no franchise fees) for 10 years. Employees in participating companies will pay no income taxes for the first five years. For the second five years, employees will pay no taxes on income up to \$200,000 of wages for individuals, \$250,000 for a head of household, and \$300,000 for taxpayers filing a joint return. The number of net new jobs eligible for personal income tax benefits will not exceed 10,000 new jobs per year.

Eligibility: In order to locate into a START-UP NY tax-free community, a business needs to be aligned with or further the academic mission of the campus, college or university sponsoring the tax-free community. Businesses participating in the program will need to have positive community and economic benefits. Every business must create and maintain net new jobs in order to participate. Businesses must:

- Be a new start-up company;
- Be a company from out-of-state that is relocating to New York State; or
- Be the expansion of an existing New York State company for example, a company creating a new line of business or opening a new advanced manufacturing facility as long as it can demonstrate that it is creating new jobs and not moving existing jobs.

In addition, New York State start-ups that hatch from New York State incubators will be eligible to enter tax-free communities and be eligible for the benefits under the program.

In New York City, Long Island and Westchester County, businesses must be start-ups or high-tech companies. Statewide, certain types of businesses are excluded from the program, including retail and wholesale businesses; restaurants and hospitality; professional practices like law firms and medical practices; and energy production and distribution companies.

Companies will be eligible to enter into the program until December 31, 2020 and by that time, ESD will prepare an evaluation of the effectiveness of the program in order to determine whether eligibility should be extended.

Each university community will develop a plan for the types of businesses it intends to attract and the locations that will be tax-free. Businesses will apply directly to the participating college and, once a business is accepted, ESD will have 60 days to review the application to ensure eligibility.

Bans Competition with Existing Businesses: Under the START-UP NY program, businesses that might compete unfairly with other local businesses outside the tax-free area would be ineligible to participate.

Eligible Colleges and Universities: SUNY, CUNY and independent colleges and universities will all have the opportunity to develop tax-free communities.

SUNY: Every SUNY community college and 4-year college/university can establish a tax-free community using:

- Vacant land on the SUNY campus (for every campus outside of New York City);
- Vacant space in buildings on the SUNY campus (for every campus outside of NYC);
- Any business incubator with a bona fide affiliation to the campus, university or college; and
- Up to 200,000 square feet within one mile of a campus (for every campus north or west of Westchester County), or further with approval from ESD.

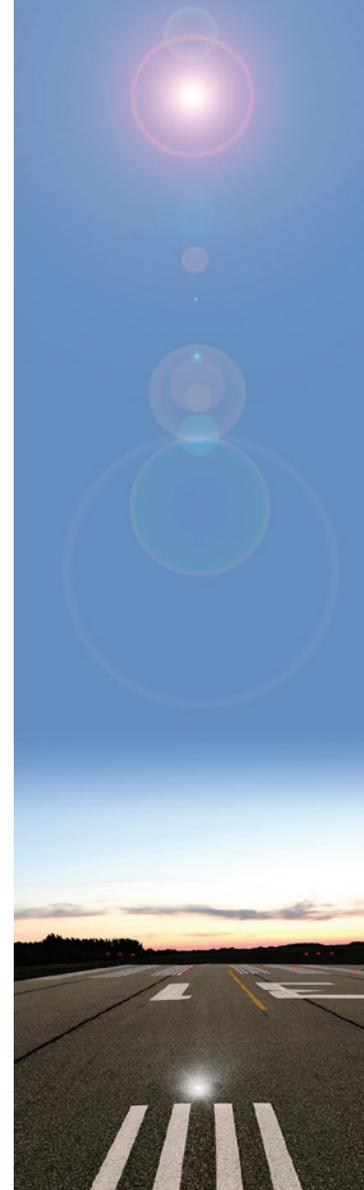
CUNY: CUNY will be able to establish a tax-free community on a campus in each borough Manhattan, the Bronx, Queens, Brooklyn and Staten Island in an area of economic distress. CUNY Tax-Free NY communities may include:

- Vacant land on the CUNY campus;
- Vacant space in buildings on the CUNY campus; and
- Any business incubator with a bona fide affiliation to the campus, university or college.

Private Colleges: The program also provides 3 million square feet (with the potential of another 600,000 more) of tax-free areas primarily dedicated to private colleges and universities on land north of Westchester County, to be allocated by the START-UP NY program board (consisting of three members with significant experience in academic-based entrepreneurship appointed by the Governor, the Speaker of the Assembly and the Temporary President of the Senate) in a manner that ensures regional balance and balance among eligible rural, urban and suburban areas in the State.

For private colleges and universities north of Westchester County, the tax-free areas can include vacant land and vacant space on- or off-campus, as well as any business incubator with a bona fide affiliation to the campus, university or college.

Robust Protections Against Fraud: START-UP NY includes strong provisions to protect against fraud. Businesses will have to submit certification to ESD, and falsifying certifications will be a felony. The legislation also includes strict provisions to guard against abuses such as shifting jobs among related entities or shirtchanging, when a company simply reincorporates under a new name and claims its existing employees are now new jobs. In addition, START-UP NY includes measures to prevent self-dealing and conflicts of interest. In cases of fraud, the State will be empowered to claw-back benefits granted to the business. Companies that do not meet the terms of the program including meeting their job creation targets may have their benefits reduced, suspended or terminated. ESD will have the authority to review company data



to ensure that jobs have been created and maintained, and to end participation by companies that have not created net new jobs. ESD will be required to publish a comprehensive annual report to enable the public to evaluate the programs impact.

About Excelsior Jobs Program

Overview

The Excelsior Jobs Program provides job creation and investment incentives to firms in such targeted industries as biotechnology, pharmaceutical, high-tech, clean-technology, green technology, financial services, agriculture and manufacturing. Firms in these industries that create and maintain new jobs or make significant financial investment are eligible to apply for up to four new tax credits. The Program encourages businesses to expand in and relocate to New York while maintaining strict accountability standards to guarantee that businesses deliver on job and investment commitments. Program costs are capped at \$500 million annually to maintain fiscal affordability and ensure that New Yorkers realize a positive return on their investment.

Tax Credits

Firms in the Excelsior Jobs Program may qualify for four new, fully refundable tax credits. Businesses claim the credits over a 10 year period. To earn any of the following credits, firms must first meet and maintain the established job and investment thresholds outlined in Program Eligibility below:

The Excelsior Jobs Tax Credit: A credit of 6.85 percent of wages per new job to cover a portion of the associated payroll cost.

The Excelsior Investment Tax Credit: Valued at two percent of qualified investments.

The Excelsior Research and Development Tax Credit: A credit of 50 percent of the Federal Research and Development credit up to three percent of research expenditures in NYS.

The Excelsior Real Property Tax Credit: Available to firms locating in certain distressed areas (see Investment Zone list below) and to firms in targeted industries that meet higher employment and investment thresholds (Regionally Significant Project).

Program Eligibility

The Program is limited to firms making a substantial commitment to growth – either in employment or through investing significant capital in a New York facility. The Job Growth Track comprises 75% of the Program and includes all firms in targeted industries creating new jobs in New York. Twenty-five percent is set aside for the Investment Track firms who meet the minimum job retention criteria and make significant new capital investments in a New York facility and which meet a benefit-cost threshold of at least \$10 of investment and new wages for every \$1 of tax credit.

As detailed in the charts below, every firm approved for participation in the program is eligible to apply for the Jobs Tax Credit, the Investment Tax Credit, and the R&D Tax Credit. Only certain categories of firms are eligible to also apply for the Real Property Tax Credit. Participation in the Program and the amount of credits authorized is at the discretion of the Commissioner. Benefits will be provided if a firm meets the eligibility criteria.

Application Process

Applicants must complete a consolidated funding application (CFA) that will be submitted to the local ESD regional office. The CFA can be accessed at <http://nyworks.ny.gov>.

If the application is approved, then within the available credits each year, ESD will enter into a formal agreement with the firm that clearly states the tax credits as well as the job and investment requirements for each year. Firms that meet the eligibility criteria will be issued a certificate allowing them to claim eligible tax credits.

Accountability and Transparency

In each year from 2011 through 2015, ESD may commit up to \$500 million in tax credits to firms in the Excelsior Jobs Program. The Program's total lifetime value is \$2.25 billion. A firm may only claim tax credits after demonstrating that it meets the minimum eligibility criteria.

ESD will post online quarterly reports providing information both on program statistics and individual participant performance.

