

FIRST AMENDMENT  
TO  
COMMUNITY DEVELOPMENT BLOCK GRANT  
DISASTER RECOVERY  
SUBRECIPIENT AGREEMENT

THIS FIRST AMENDMENT TO the Community Development Block Grant Disaster Recovery Subrecipient Agreement dated May 1, 2013 is made and entered into January 19, 2017 and is effective as of January 19, 2017 (the "First Amendment") by and between the Housing Trust Fund Corporation, operating by and through its division, the Governor's Office of Storm Recovery ("GOSR"), (collectively referred to herein as the "Grantee") and the Empire State Development Corporation ("Subrecipient" or "ESDC"). The foregoing Grantee and Subrecipient shall sometimes be referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1979 (42 U.S.C. 5121 et seq.), portions of the State of New York ("State") received major disaster declarations as a result of Hurricane Sandy, Hurricane Irene, Tropical Storm Lee and other eligible events in calendar years 2011, 2012, and 2013; and

WHEREAS, pursuant to the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013), as amended ("Act"), Congress appropriated \$16,000,000,000 for the Community Development Block Grant Disaster Recovery ("CDBG-DR") program; and

WHEREAS, the State has received an allocation of CDBG-DR funds from the Department of Housing and Urban Development ("HUD") in the amount of \$1,713,960,000; and

WHEREAS, pursuant to title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) ("HCD Act"), as amended, the Grantee is authorized to administer and distribute CDBG funds in the State; and

WHEREAS, the Grantee has received a waiver of certain CDBG-DR requirements for up to \$30,000,000 of the CDBG-DR funds to allow the Grantee to engage the services of the Subrecipient to administer an industry-wide advertising and marketing campaign (as further described in Schedule A, "Tourism Support Campaign"), in order to provide immediate support to the State's tourism industry and promote travel to communities located in the thirteen counties that received major disaster declarations as a result of Hurricane Sandy ("Target Area"); and

WHEREAS, the Grantee sought to direct up to \$7,500,000 of its CDBG-DR funds to allow the Grantee to engage the services of the Subrecipient to undertake programmatic marketing to launch and promote the State of New York Storm Recovery Programs

("Storm Recovery Programs") to thirty counties affected by Hurricane Sandy, Hurricane Irene and Tropical Storm LEE (as further described in Schedule A, "Storm Recovery Programs Campaign"); and

WHEREAS, the Grantee also sought to direct up to \$3,000,000 of its CDBG-DR funds to allow the Grantee to engage the services of the Subrecipient to design, implement and manage a small business mentorship and consulting network (as further described in Schedule A, "the Small Business Consulting Mentorship Program"); and

WHEREAS, Grantee and Subrecipient entered into a Community Development Block Grant Disaster Recovery Subrecipient Agreement on May 1, 2013 (the "Agreement"), the terms of which govern Subrecipient's receipt of funds from the State of New York's Community Development Block Grant-Disaster Recovery program to provide marketing services in support of the State of New York's recovery efforts following Hurricane Irene, Tropical Storm Lee, and Hurricane Sandy ("Storms"); and

WHEREAS, Grantee desires to amend the Agreement to reduce the Budget by \$500,000.00; and

WHEREAS, Grantee and Subrecipient desire to amend the Agreement by means of this First Amendment in order to revise the budget;

NOW, THEREFORE, pursuant to and in consideration of the above, and other mutual covenants and obligations herein contained, it is

STIPULATED AND AGREED as follows:

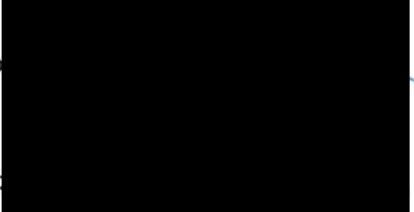
1. Schedule B of the Agreement, titled "Budgets" is hereby replaced by a new Schedule B1 (attached).
2. Except as specifically modified herein, all terms and conditions in the Agreement will remain the same, continue in full force and effect, and apply to this First Amendment.

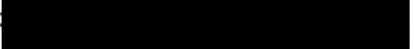
IN WITNESS WHEREOF, the parties executed this First Amendment on the day and year first above written.

**Empire State Development Corporation**

By: 

Name: Elaine A. Kloss  
Title: Chief Financial Officer  
Date: 1/19/2017

Ho: 

By:   
Name: Lisa Bova-Hiatt  
Title: Director, Governor's Office  
of Storm Recovery  
Date: 1/19/17

**SCHEDULE B1**

**BUDGETS**

(Attached)

**Table of Content**

<b>Program</b>	<b>Budget Allocation</b>
Revised Sandy Tourism Budget	\$29,500,000.00
Programmatic Marketing Budget	\$7,500,000.00
Small Business Consulting Mentorship Budget	\$3,000,000.00

Revised Sandy Tourism Budget Page 1

RATES APPLY TO:

Gross Media Budget (\$)			
Net Media Budget (\$)			\$25,441,016
Media Commission (%) 3% of media			
Media Commission % based on <input checked="" type="checkbox"/> gross <input type="checkbox"/> net media (check one)			
<b>Production Expense</b>			
All production expenses incurred in-house (except with respect to Personnel as identified below) or out-of-house, shall be billed at actual cost with no mark-up due the Contractor.			
	Number of Hours Annually	Billing Rate per Hour \$	Annual Total \$ (Hours x Billing Rate)
<b>Personnel (In-House OR Subcontractor)</b>			
<b>Specific Personnel 1/</b>			
Account Management	301	124.73	37,543
Creative Management	232	289.69	67,208
Production Management	175	201.89	35,331
Media Buyer			
Web Site Design/Production			
Digital Media Production			
Research			
<b>TOTAL</b>			<b>140,082</b>
<i>(add additional staff as necessary)</i>			
<b>Other Personnel 2/</b>			
1. All Other Professionals	N/A	N/A	N/A
2. Clerical	N/A	N/A	N/A
3. _____	N/A	N/A	N/A
4. _____	N/A	N/A	N/A
5. _____	N/A	N/A	N/A
<b>Other Expenses</b>			
			<b>Annual Total \$</b>
Production			<b>\$3,918,902</b>
Subcontractors - web maintenance, etc.			
Events & Other			
General administrative			
_____			
_____			
<b>Grand Total Personnel/Admin Expenses</b>			
<b>Travel</b>			
Travel expense incurred shall be reimbursed in accordance with State rates, as identified in Appendix B of this RFP.			
<b>TOTAL BUDGET</b>			<b>\$29,500,000</b>

SCHEDULE B1

Revised Sandy Tourism Budget Page 2

SANDY TOURISM JOB NUMBERS  
AS THEY RELATE TO CAMPAIGNS  
IN BUDGET REPORT

<u>Post - Sandy Summer Tourism</u>	<u>TV</u>	<u>Digital</u>	<u>OOH</u>	<u>Total Media</u>	<u>Post Credit</u>	<u>Adjusted Amounts</u>
Job X30966	13,423,123			13,423,123		13,423,123
Job X31253		83,457				
X31254		886,208				
		<u>969,665</u>		969,665		969,665
<u>Fall Tourism</u>						
X31368 B	1,468,255			1,468,255		1,468,255
<u>Sandy Anniversary Campaign</u>						
X31332	7,092,337			7,092,337	(1,390)	7,090,947
<u>Summer Tourism 2014</u>						
X40714	1,246,459					
X41058	<u>998,242</u>					
	2,244,701			2,244,701		2,244,701
<u>OOH</u>						
X31330			244,325	244,325		244,325
				0		
	<u>24,728,416</u>	<u>969,665</u>	<u>244,325</u>	<u>25,442,406</u>	<u>(1,390)</u>	<u>25,441,016</u>

Programmatic Marketing Budget Page 1

RATES APPLY TO:

Gross Media Budget (\$)			\$ 7,722,851.06
Net Media Budget (\$)			\$ 6,564,423.40
Media Commission (%)			3.00%
Media Commission % based on	gross	net media (check one)	
<b>Production Expense</b>			
All production expenses incurred in-house (except with respect to Personnel as identified below) or out-of-house, shall be billed at actual cost with no mark-up due the Contractor.			\$ 450,000.00
	Number of	Billing Rate	Annual
<b>Personnel (In-House OR Subcontractor)</b>			
<b>Specific Personnel 1/</b>			
Account Management	584	\$ 124.73	\$ 72,842.32
Creative Management	280	\$ 289.69	\$ 81,113.20
Production Management	485	\$ 203.89	\$ 97,916.65
Media Buyer (covered by commission)			
Web Site Design/Production			
Digital Media Production			
Research	10	\$ 203.89	\$ 2,038.90
Public Relations			
<i>(add additional staff as necessary)</i>			
<b>Other Personnel 2/</b>			
1. All Other Professionals			
2. Clerical			
3.			
4.			
5.			
<b>Administrative Expenses</b>			Annual Total \$
<i>(Billed at actual cost, no mark-up permitted)</i>			
Telecommunications			
Supplies			
Legal & Other Professional			
General administrative			
<b>Grand Total Personnel/Admin Expenses</b>			\$ 253,891.07
<b>Travel</b>			
accordance with State rates, as identified in Appendix			



Programmatic Marketing Budget Page 2

Timeframe: 5/1/13 - 4/30/16

PhD Media Breakdown	
MEDIA	TOTAL MEDIA
<b>Spot TV</b> 300 broadcast / 100 cable: Albany-Schenectady-Troy, Binghamton, Burlington-Plattsburg, New York, Elmira, Utica	\$ 5,824,308.93
<b>Print</b> Albany Times Union, Binghamton Press & Bulletin, Elmira Star Gazette, The Evening Sun, Press-Republican, Oneonta Daily Star, Poughkeepsie Journal, The Leader Herald, Hudson Catskill Newspapers, Herkimer Telegram, The Recorder, Newsday, Utica Observer Dispatch, Middletown Times Herald-Record, Cooperstown Crier, Troy Record, Saratogian, Schenectady Daily Gazette, Times Journal News, Sullivan County Democrat, Appalachian Community Press, The Daily Freeman, Glen Falls Post Star, Journal News	\$ 971,800.00
<b>Total Spend</b>	

BBDO Fee Breakdown		
ROLE	HOURS	FEE
<b>Account management</b> General Description: Manage client relationships and lead development of advertising initiatives.  Account Management <b>TOTAL</b>	   584 <b>584</b>	     <b>\$72,842.32</b>
<b>Creative services</b> General Description: Develop creative concepts/executions for advertising via design, copywriting, etc.  Creative Concepting (Design + Copywriting) <b>TOTAL</b>	   280 <b>280</b>	     <b>\$81,113.20</b>
<b>Production services</b> General Description: Produce the final advertising materials via mediums such as TV, print, digital, web, etc.  Pre production (estimates, location scouting for shoot, etc) Video/Photo shoot Editing shoot content Shipping of final files <b>TOTAL</b>	   140 100 200 45 <b>485</b>	        <b>\$87,916.65</b>
<b>Research &amp; strategy</b> General Description: Manage the upfront research and strategy before a creative team is briefed to develop advertising elements.  Strategic Development <b>TOTAL</b>	   10 <b>10</b>	     <b>\$2,018.90</b>

PhD Total		\$6,796,108.93
BBDO Total	1369	\$253,891.07
Production ESTIMATE		\$450,000.00
<b>Grand Total</b>		<b>\$7,500,000.00</b>

Small Business Consulting Mentorship Budget Page 1

Media Commission

% will be applied to gross media expenditure 2.70%

Production Expense

All production expenses incurred in-house (except with respect to Personnel as identified below) or-out-of-house, shall be billed at actual cost with no-mark up due the Contractor

<u>Personnel</u>	<u>Number of Hours Annually</u>	<u>Billing Rate per Hour</u>	<u>Annual Total \$</u>
<u>Specific Personnel</u>			
Account Management	350	\$80.00	\$28,000
Creative/ Production Management	350	\$80.00	\$28,000
Media Buyer	350	\$80.00	\$28,000
<u>Other Personnel</u>			
1.All Other Professionals		\$0.00	
2.Clerical		\$0.00	

Administrative Expenses

Annual Total \$

Telecommunications	\$ 250.00
Supplies	\$ 500.00
Legal and Other Professional	\$ 900.00
General Administrative	\$ 400.00

Travel

Travel Expense incurred shall be Reimbursed in accordance with State rates, As identified in Exhibit B of the Contract.

Small Business Consulting Mentorship Budget Page 2

ESD Budget - Small Business Consulting Program Estimated Budget 1 - Years		YEAR		Budget Detail	
Personnel	Salary	% of time on project	1	2	
Program Director - ESD Coordination and Operations (60%) <i>Fringe Benefits</i>	\$ 42,000.00	50%	\$ 21,000.00	\$ 21,000.00	Program oversight - direction on strategy, partnership building, web and database development, policies and procedures, tracking and reporting, etc.
Program Director - Small Business Mentorship (100%) <i>Fringe Benefits</i>	\$ 65,000.00	100%	\$ 65,000.00	\$ 65,000.00	Primary responsibility for establishing policies and procedures, program documents, quality control for both consultants and business contacts, the development of the RFP, the development of the program part of the eProc RFP process for the IT systems and website, training the intermediaries, oversight of the engagements, reporting, outcomes tracking, etc.
Project Associate (50% yr one) (100% yr two) <i>Fringe Benefits</i>	\$ 55,000.00	50% yr 1 / 100% yr 2	\$ 27,500.00	\$ 55,000.00	Support to the Director for the same activities.
Senior Project Manager <i>Fringe Benefits</i>	\$ 78,000.00	15%	\$ 11,700.00	\$ 11,700.00	Primarily advising on policies and procedures and meeting with potential partner organizations to finalize MOUs/agreements and define terms of engagement.
Senior Director <i>Fringe Benefits</i>	\$ 89,643.00	15%	\$ 13,446.45	\$ 13,446.45	Primarily advising on policies and procedures and meeting with potential partner organizations to finalize MOUs/agreements and define terms of engagement.
Legal Associate <i>Fringe Benefits</i>	\$ 215,000.00	9%	\$ 19,350.00	\$ 19,350.00	Contract negotiation and review, program document review, disclaimer and other legal protections, review of program materials, etc.
IT Associate <i>Fringe Benefits</i>	\$ 85,340.00	25%	\$ 21,335.00	\$ 21,335.00	Development and implementation and oversight of IT/database contracts, including implementation of the RFP process, review, contracting and oversight of the vendor work with program staff.

Small Business Consulting Mentorship Budget Page 3

ESD Budget - Grant/Loan Program Advisory and Operations		YEAR		BUDGET YEAR	
Estimated Budget		1		2	
Personnel	% of line on salary				
Program Director - ESD Coordination and Operations (50%) <i>Fringe Benefits</i>	50%	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00
Senior Project Manager <i>Fringe Benefits</i>	15%	\$ 13,850.00	\$ 13,850.00	\$ 13,850.00	\$ 13,850.00
Senior Director <i>Fringe Benefits</i>	25%	\$ 13,445.00	\$ 13,445.00	\$ 13,445.00	\$ 13,445.00
Legal Associate <i>Fringe Benefits</i>	2%	\$ 2,350.00	\$ 2,350.00	\$ 2,350.00	\$ 2,350.00
Finance Associate <i>Fringe Benefits</i>	25%	\$ 12,405.00	\$ 12,405.00	\$ 12,405.00	\$ 12,405.00
<b>Total</b>		\$ 110,245.00	\$ 110,245.00	\$ 110,245.00	\$ 110,245.00
Travel		\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Travel Expenses		\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Marketing and Outreach		\$ -	\$ -	\$ -	\$ -
Marketing and Outreach Expenses		\$ -	\$ -	\$ -	\$ -
Other Non-Personal Services		\$ -	\$ -	\$ -	\$ -
Indirect Administrative Cost		\$ 5,788.75	\$ 5,788.75	\$ 5,788.75	\$ 5,788.75
<b>ESTIMATED GRAND TOTAL</b>		\$ 121,131.25	\$ 121,131.25	\$ 121,131.25	\$ 121,131.25
<b>Estimated 2-Year Total</b>		\$ -	\$ -	\$ 207,856.38	\$ 207,856.38

Overight of ESD's advisory roles in selecting intermediaries, defining the scope/terms sheet, advising on public procedures, researching issues, meeting w/ICB and other stakeholders as necessary, etc.

Developing written materials and guidance, researching issues, advising on issues identified above, including program parameters, policies and procedures, operations, developing relationships and processes w/Attorney, Dept of Tax/Finance, Department of State, etc.

Developing written materials and guidance, researching issues, advising on issues identified above, including program parameters, policies and procedures, operations, developing relationships and processes w/Attorney, Department of State, etc.

10-20 days at \$250-\$500/1/yr

Indirect administrative expenses.

Small Business Consulting Mentorship Budget Page 4

Financial Assistance	\$ 61,000.00	30%	\$ 18,300.00	\$ 18,300.00	Financial review and administration for all billing, contracts, RFP, program expense, reporting, etc.
Travel Benefits			\$ 11,367.74	\$ 11,367.74	
<b>Total</b>			\$ 305,006.41	\$ 305,006.41	
<b>Contractual</b>					
Consultant - Program Design and Development			\$ 50,000.00		Scope shared separately - primarily program design, partnership building, recommendations, comparison w/other national programs, advisory responses, and facilitation of primary partner relationships.
Website and Data System Development					Development per scope.
Site and Database Development			\$ 30,000.00		
Web Hosting (1 year and domain)			\$ 15,000.00		
Site and Database Administration			\$ 75,000.00	\$ 50,000.00	
Consultant - Market Analysis and Tracking			\$ 15,000.00	\$ 15,000.00	Creation of system to track customer, especially to prepare sales during and post-Sale.
Business Coach, Mentor and Consultants (Direct - through relevant partner organizations)			\$ 600,000.00	\$ 675,000.00	Estimate of fees to organizations for technical and non-technical comprehensive consulting engagements. Project cost engagements costed as accompanying scope. Many engagements are expected to be ad-hoc.
<b>Total</b>			\$ 1,545,000.00	\$ 745,000.00	
<b>Conference and Meetings</b>					
Workshops			\$ 35,000.00	\$ 20,000.00	Up to 30 workshops (\$500/workshop in first year and 40 in year two).
User Training (SAs, SA's)			\$ 15,000.00	\$ 15,000.00	Printing at \$1250/yr, and business facilitator travel and staff attendance at 2 day training (10 staff @ \$275)
<b>Total</b>			\$ 50,000.00	\$ 35,000.00	
<b>Travel</b>					
Travel Expenses			\$ 10,000.00	\$ 10,000.00	Site visits, workshops, EAP/SHDC center visits, site checks on business consulting engagements, partner meetings, etc. estimate of 10 staff @ \$1000/100 trips.
<b>Total</b>			\$ 10,000.00	\$ 10,000.00	
<b>Marketing and Outreach</b>					
Marketing and Outreach Expenses			\$ 15,000.00	\$ 20,000.00	Marketing materials for program (up to \$2000), local print advertising (up to \$10,000 approval, cover direct cost (up to \$1000)
<b>Total</b>			\$ 15,000.00	\$ 20,000.00	
<b>Other Non-Personal Services</b>					
Website Administration Cost			\$ 77,369.88	\$ 77,369.88	Project administrative expense.
<b>Total</b>			\$ 77,369.88	\$ 77,369.88	
<b>ESTIMATED GRANT TOTAL</b>			\$ 1,572,376.20	\$ 1,219,710.31	
<b>Estimated 2-Year Total</b>			\$	\$ 2,792,140.61	