

Applicants Recommended for an Award of Fund Benefits

| Line | Business                      | City    | County | Economic Development Region | Project Description  | Project Type        | Recommended Award Amount | Total Project Cost | Jobs Retained | Jobs Created |
|------|-------------------------------|---------|--------|-----------------------------|--|---------------------|--------------------------|--------------------|---------------|--------------|
| 1    | Eden Valley Growers           | Eden    | Erie   | Western NY                  | Building a new staging/packing area to increase output on produce and value added products                           | Business Investment | \$ 80,000                | \$ 400,000         | 20            | 6            |
| 2    | Living Green Insulation Produ | Buffalo | Erie   | Western NY                  | Will produce cellulose insulation and hydro seed mulch from recycled paper products that are diverted from landfills | Business Investment | \$ 165,570               | \$ 891,765         | 3             | 29           |

**Total: \$ 245,570 \$ 1,291,765 23 35**

**Total Jobs Created & Retained: 58**

**Applicants Not Recommended for an Award**

| Line | Business  | City          | County  | Economic Development Region | Project Description  | Project Type        |
|------|---|---------------|---------|-----------------------------|--|---------------------|
| 1    | Art Services Initiative   | Buffalo       | Erie    | Western NY                  | Enhance marketing efforts for the region's Path Through History  | Tourism/Marketing   |
| 2    | Buffalo Maritime Center   | Buffalo       | Niagara | Western NY                  | Restoration/renovation/repairs to the historic 1913 Buffalo Bronze Foundry building.   | Tourism/Marketing   |
| 3    | Niagara County Historical Society/<br>DBA the History Center of Niagara | Lockport      | Niagara | Western NY                  | Enhance the established heritage tourism destination by creating eight exhibits  | Tourism/Marketing   |
| 4    | Paradigm of New York, LLC   | Lockport      | Niagara | Western NY                  | Assist in the development and testing of the Paradigm System, which cleans exhaust gases of soot from diesel and gasoline engines. | Business Investment |
| 5    | Sterling Energy Group, Inc.   | Niagara Falls | Niagara | Western NY                  | Retrofit and bring the power plant back online to produce ~50 MW of power.   | Business Investment |
| 6    | SynchroPET  | Buffalo       | Erie    | Western NY                  | SynchroPET proposed to modify their small animal PET systems to make them commercial products.                                     | Business Investment |

**Withdrawn Applications**

| Line | Business                                | Classification         |
|------|---|------------------------|
| 7    | Onyx Administrative Services of Buffalo | Withdrawn by applicant |

**Applications Deferred for Further Analysis**

| Line | Business   | Classification                |
|------|--|-------------------------------|
| 8    | Buffalo Niagara Enterprise   | Deferred for further analysis |
| 9    | Greater Buffalo United Accountable Healthcare Network (GBUAHN), MSO, LLC | Deferred for further analysis |
| 10   | Buffalo Syngas, LLC  | Deferred for further analysis |
| 11   | Entecco, LLC   | Deferred for further analysis |
| 12   | City Labs, Inc., A Florida Corporation                                   | Deferred for further analysis |
| 13   | Humble Pie (previously deferred)   | Deferred for further analysis |
| 14   | Trek Industries  | Deferred for further analysis |
| 15   | Triad Recycling  | Deferred for further analysis |
| 16   | Riviera Theatre and Organ Preservation Society Inc.                      | Deferred for further analysis |

**Western NY Power Proceeds Allocation Board**  
**Exhibit C**

Criteria adapted from the Western NY Power Proceeds Allocation Board's  
"Procedures for the Review of Applications for Fund Benefits"

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.<sup>1</sup> The Western New York Regional Economic Development Council which is responsible for Eligible Projects in Erie and Niagara Counties Strategies & Priorities are:
  - Promote "Smart Growth" by investing in areas that infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
  - Promote workforce development by increasing diversity in the labor force, developing and cultivating that includes workers with advancement potential, underemployed, unemployed and special population; align education and skills training to job market for current and future industry needs.
  - Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new start ups in strategic industries and facilitates the commercialization of products that can lead to job growth in the Region.
  - Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products; creating new more efficient processes; creating strong regional brands; creating programs that promote careers in agriculture.
  - Utilize Western New York's proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will: utilize cross-border planning to create transportation and logistical infrastructure; improve operational relationships; promote the attractiveness of WNY as a hub for global trade.

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<sup>1</sup> As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

- Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.
- Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.
- Spur growth in the health and life sciences industry through improved commercialization, recruit high profile research talent and reducing the cost burden of healthcare while improving health outcomes.
- Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups which will assist start-ups with commercialization, business planning, workforce preparation, facilities, etc.
- Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to <http://regionalcouncils.ny.gov/content/western-new-york>.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council (“REDC”) having responsibility for the region in which an Eligible Project is located.<sup>2</sup> The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: <http://regionalcouncils.ny.gov/content/finger-lakes>.
3. The number of jobs that would be created as a result of an award of Fund Benefits.
4. The applicant’s long term commitment to the region as evidenced the current and/or planned capital investment in applicant’s facilities in the region.
5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.
6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.
7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.
8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.
9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.

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<sup>2</sup> As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, “revitalization” projects.

10. The growth potential of the applicant's facilities and the contribution of economic strength to the area in which the applicant's facilities are or would be located.
  11. The extent of the applicant's willingness to satisfy affirmative action goals.
  12. The extent to which an award of Fund Benefits is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located.
  13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
  14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.
  15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
  16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.
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**Recommended Award: Exhibit "D"**

|                   |                     |              |                  |
|-------------------|---------------------|--------------|------------------|
| Applicant Name:   | Eden Valley Growers | REDC Region: | Western New York |
| Project Type:     | Business Investment | County:      | Erie             |
| Industry:         | Agriculture         | Locality:    | Eden             |
| Amount Requested: | \$80,000            | Start Date:  | 03/15/2014       |
|                   |                     | Finish Date: | 05/15/2014       |

**RECOMMENDED OFFER**

|                                |           |
|--------------------------------|-----------|
| Recommended Total Award:       | \$80,000  |
| Total Project Cost:            | \$400,000 |
| % of Project Cost Recommended: | 20%       |

**REGIONAL IMPACT MEASUREMENTS**

|                          |          |
|--------------------------|----------|
| Number of Jobs Retained: | 20       |
| Number of Jobs Created:  | 6        |
| Average Salary of Jobs:  | \$35,000 |
| Indirect Jobs Created    |          |
| Other Impact             |          |

**PROJECT DESCRIPTION**

Eden Valley Growers (EVG), a cooperative of ten farms on 1,000 acres in Eden, proposes to meet new market demand by building a new staging/packing area to increase output on produce and value added products. The expansion is needed to meet increasing demand for fresh, locally grown vegetables and fruits while at the same time maintaining food safety standards.

**BASIS FOR RECOMMENDATION**

The Eden Valley Growers Co-op in Eden New York has long had a notable and valuable presence in WNY agriculture. This co-op has recently been offered an opportunity by Regional and Statewide grocers to significantly increase the purchase of their products. To achieve the necessary production to fulfill this new demand, the co-op must build a new cooling/staging/packing area to handle increased capacity. Fostering the growth of the agricultural industry across WNY has been deemed a high priority part of achieving a balanced approach to regional Economic development.

The Eden Valley Growers Co-op has put together a budget of \$400,000 for this project. Eighty percent would be financed through its own investment and a loan/grant term from Farm Credit East. It is recommended that the Board recommend an award of \$80,000 to fill the funding gap for the project which would be payable upon verification of project completion.

**Recommended Award: Exhibit "D"**

|   |   |              |                  |
|---|---|--------------|------------------|
| Applicant Name:   | Living Green Insulation Products and Services, LLC*<br>*See note below under Project Description. | REDC Region: | Western New York |
| Project Type:   | Business Investment   | County:      | Erie             |
| Industry:   | Advanced Manufacturing  | Locality:    | Buffalo          |
| Amount Requested:   | \$165,570   | Start Date:  | 3/1/2014         |
|   |   | Finish Date: | 3/1/2016         |
| <b>RECOMMENDED OFFER</b>  |   |              |                  |
| Recommended Total Award:  | \$165,570   |              |                  |
| Total Project Cost:   | \$891,765   |              |                  |
| % of Project Cost Recommended:  | 18.5%   |              |                  |
| <b>REGIONAL IMPACT MEASUREMENTS</b>   |   |              |                  |
| Number of Jobs Retained:  | 3   |              |                  |
| Number of Jobs Created:   | 29  |              |                  |
| Average Salary of Jobs:   | \$20,800  |              |                  |
| Indirect Jobs Created:  |   |              |                  |
| Other Impact:   |   |              |                  |
| <b>PROJECT DESCRIPTION</b>  |   |              |                  |
| <p>Living Green Insulation Products and Services, LLC ("LGI") is a green manufacturing facility located on the eastside of Buffalo. The manufacturing plant will produce cellulose insulation and hydro seed mulch from recycled paper products that are diverted from landfills and sold locally by recycling companies. LGI is in the process of ramping up both its hydro-seeding business and its insulation business which will lead to the employment of 29 people over the next 5 years. In order to meet the current trajectory set for the hydro-seeding business, LGI must complete phase 2 of a 3 phase plan and install a freight elevator; install a sprinkler system; purchase a paneled delivery truck; purchase a hydro-seeding mulcher; and rebuild existing loading docks to handle the weight of the necessary machinery used in the distribution of LGI products.</p> <p>The award request by LGI relates to the second phase of its 3 phase "plan for success." To date LGI has successfully completed the first phase of their master plan which included a \$1,013,935 investment to: install the machinery that creates the 2 products; provide the necessary power upgrades to the building to run the machinery; make the necessary structural improvements to the building; purchase Borax inventory; purchase paper feedstock; replace exterior and emergency lighting; and begin hiring the workforce needed to get the project up and running. Phase 2 and 3 of the master plan for LGI will take an investment of \$891,765 to reach completion.</p> <p>LGI is seeking an award that will allow LGI to complete the second phase of its expansion plan in time for the spring, when the hydro-seeding business has great potential for creating revenue.</p> |   |              |                  |

**Western New York Economic Development Fund  
 Recommendation Memo**

Phase 2 of the plan calls for an investment of \$165,570 which will allow the company to: purchase a hydro-seeding mulcher; purchase a panel delivery truck; purchase 2 fork-lifts; reconstruct loading docks; install a sprinkler system; and install a freight elevator.

Upon the completion of phase 2 of the master plan LGI indicates that it will be in a position to take the hydro-seeding portion of its business and create a revenue stream that can be utilized for reinvestment into the completion of the third and final phase. Phase 3 of LGI’s master plan consists of an investment of \$726,195 which will allow LGI to: replace the roof on their facility; make additional electrical upgrades to run the green insulation production; build inventory; upgrade security; and build out office space.

\*The application lists Jabril Shareef as the applicant, but indicates that LGI is the real party in interest and would be making the commitments. In correspondence, Shareef has agreed that LGI will be treated as the applicant.

**PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED**

| <b>TYPE</b>             | <b>AMOUNT</b> | <b>STATUS</b> |
|-------------------------|---------------|---------------|
| ESD – EIP Grant         | \$226,000     | Complete      |
| PUSH Buffalo BNSC Grant | \$35,000      | Complete      |

**BASIS FOR RECOMMENDATION**

LGI is a small business on the east side of Buffalo that has been building from the ground up based on an environmentally friendly product created through state of the art technology. Through a maximum personal investment and the assistance of State and local economic development programs, this company is now in a position to sell and distribute the environmentally friendly hydro-seeding currently being produced at its headquarters facility at 230 Pratt Street, Buffalo, NY.

An award of Fund Benefits would enable LGI to complete phase 2 of this project and begin the sale and distribution of their hydro-seeding product. In conversations with the Board’s staff, LGI indicates that this will create approximately 29 jobs over the next 5 years. The bulk of the jobs would target unemployed residents of the East Side of Buffalo who would be trained for long term careers with LGI.

It is recommended that the Board recommend an award to LGI in the amount of up to \$165,570 to be disbursed in multiple reimbursements based on documentation of LGI’s completion of each of the tasks listed below. This will be in addition to any other terms and conditions that the New York Power Authority deems to be appropriate in any award contract:

- Purchase of hydro-seeding mulcher – The lesser of \$21,120 or the actual purchase price
- Purchase of panel delivery truck – The lesser of \$23,000 or the actual purchase price
- Purchase of 2 fork-lifts – The lesser of \$36,000 or the actual purchase price.
- Reconstruction of loading docks – The lesser of \$16,450 or the actual cost.
- Installation of sprinkler system – The lesser of \$30,000 or the actual cost.
- Installation of freight elevator – The lesser of \$39,000 or the actual cost.