

WESTERN NEW YORK POWER PROCEEDS ALLOCATION BOARD

MINUTES

June 26, 2013 – 10:00 A.M.
Empire State Development Corporation
95 Perry Street
Buffalo, New York 14203

Table of Contents

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
Opening Remarks	2	
1. Adoption of the Proposed Meeting Agenda	2	
2. Adoption of May 13, 2013 Meeting Minutes	2	
3. Fund Balance Update	3	3-A
4. Round Two - Award of Fund Benefits	3	4-A-1; 4-A-2 4-B – 4-F
5. Next Meeting and Adjournment	9	

Minutes of the Meeting of the Western New York Power Proceeds Allocation Board held via video conference in Buffalo, New York.

Board Members Present:

Anthony J. Colucci III (Chairman)
Deanna Alterio Brennen
Dennis W. Elsenbeck
Brenda Williams McDuffie
Henry F. Wojtaszek

NYPA Staff Present:

Karen Delince	Corporate Secretary (via video in White Plains)
Vincent Esposito	Assistant General Counsel (via video in Albany)
James Pasquale	Senior Vice President – Economic Development and Energy Efficiency (via video in White Plains)
Michael Huvane	Vice President Marketing – Business & Municipal Marketing
John Giumarra	Account Executive, Business Marketing & Economic Development

ESDC Staff Present:

Richard Ball	Project Manager
Christina Orsi	ESDC's Western New York Regional Director

Opening Remarks

Chairman Colucci welcomed members of the Board, the staff of Empire State Development Corporation (“ESDC”), and the staff of the New York Power Authority (“NYPA”). He stated that this meeting of the Board had been duly noticed as required by the Open Meetings law.

1. Adoption of Agenda

The agenda for the June 26, 2013 meeting was unanimously adopted.

2. Adoption of May 13, 2013 Meeting Minutes

Member Wojtaszek made the following statement to correct the record of the May 13 meeting. He said that he had voted in favor of Diversified Manufacturing, Inc.’s application without realizing that the company is a client of Harris Beach where his law firm is Of Counsel. Although the firm represents Diversified Manufacturing on matters unrelated to the application and he has had no dealings with this company, had he realized the connection prior to the May 13 meeting he would have disclosed this apparent conflict and recused himself. Given that this application would have been approved without his vote, he believed there was no need to reconsider this application but wanted the record of this meeting to reflect his conflict.

Member Elsenbeck stated that he would like an opportunity to amend the minutes.

The adoption of the minutes was deferred until the next meeting and members were given until August 1 to submit amendments to the minutes to the Corporate Secretary’s office.

Conflicts of Interest

Before moving forward with the agenda, Chairman Colucci asked if any member had a conflict of interest that would prevent him/her from participating in and voting on a particular matter before the Board.

Chairman Colucci stated that he had a conflict of interest with 425 Michigan Avenue LLC and Buffalo Olstead Park Conservancy. Regarding Buffalo Olstead Park Conservancy, he said while he has no business interest in the organization, he wanted the record to note that his spouse is a board member and secretary to this not-for-profit organization. In order to avoid any appearance of impropriety, he wanted to withdraw from consideration of the application and will not vote on it.

Member McDuffie stated that at the last meeting she had indicated that she had a conflict of interest with respect to 425 Michigan Avenue, LLC, a company that had withdrawn its application from consideration at the last meeting and is now being considered at this meeting. She consulted with counsel after the last meeting and counsel found no conflict of interest existed in this case. As a result, she planned on voting on the application at this meeting.

Member Wojtaszek stated that he had a conflict of interest with three applications that were not being recommended for fund benefits, Cornell Cooperative Extension of Niagara County, Kaleida Health and Niagara University.

3. Fund Balance Update

Mr. Michael Huvane submitted the following report:

As of May 30th there is \$17,010,204 available to allocate as Fund Benefits. The two recommended awards total \$800,000; this will leave approximately \$16,210,204 available for future consideration. At present, there is 108 MW of unallocated power; the Authority is expected to make the next quarterly deposit to the fund in July. He noted that, under the law, a minimum of 15% of the funds must be awarded to “energy-related projects, programs and services.” Staff is keeping a separate accounting of these projects.

Chairman Colucci asked Mr. Huvane to highlight the value of the 15% requirement based on the anticipated amount of money in the fund in 2013 for the Board at the next meeting. In response to a question from Member McDuffie, Mr. Huvane said that there is no specific timeframe to spend 15% on energy related projects.

In response to a request from Chairman Colucci, Mr. Huvane reported that a meeting was held with the Western New York economic community to discuss the Proceeds Board. Thirty people participated in this informative discussion.

Member Elsenbeck asked Mr. Huvane to provide a break-down of the allocated and unallocated MW in future fund balance updates.

4. Round 2 – Award of Fund Benefits

Ms. Christina Orsi, ESDC’s Western New York Regional Director, submitted the following report and resolution for consideration and adoption:

SUMMARY

The Western New York Power Proceeds Allocation Board (“Allocation Board” or “Board”) is requested to recommend to the Board of Trustees of the Power Authority of the State of New York (“NYPA” or “Authority”) that awards of Fund Benefits be made to the two applicants identified in Exhibit “4-A-1” and Exhibit “4-A-2” in the amounts indicated in each such Exhibit.

The Board is also requested to find and determine that: (1) the applications listed in Exhibit “4-B” will not receive a recommendation for an award of Fund Benefits based upon the application of the relevant program criteria to such applications; and (2) the applications listed on Exhibit “4-C” propose projects that are not “eligible projects” for Fund Benefits for the reasons described below.

The Board is also requested to defer the applications listed in Exhibit “4-D” for consideration at a later time.

For the Board’s information, Exhibit “4-E” identifies those applications for Fund Benefits that have been withdrawn or that are incomplete. No action by the Board is required on these applications at this time.

BACKGROUND

1. Western New York Power Proceeds Allocation Act

On March 30, 2012, Governor Cuomo signed into law the Western New York Power Proceeds Allocation Act (the “Act”). The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund (“Fund”). The Fund consists of the aggregate excess of revenues received by the Authority from the sale of Expansion Power (“EP”) and Replacement Power (“RP”) produced at NYPA’s Niagara Power Project that was sold in the wholesale energy market over what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract.

Under the Act, an “eligible applicant” is a private business, including a not-for-profit corporation. “Eligible projects” is defined to mean “economic development projects by eligible applicants that are physically located within the state of New York within a thirty mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments.” Eligible projects include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant for fund benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York state; support for tourism and marketing and advertising efforts for western New York state tourism and business; and energy-related projects.

Eligible projects do not include public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

Fund Benefits are payable to successful eligible applicants for eligible projects in the form of grants. It is anticipated that Fund Benefits will be disbursed by NYPA as reimbursement for expenses incurred by the Eligible Applicant.

At least 15% percent of Fund Benefits must be dedicated to eligible projects which are “energy-related projects, programs and services,” which is “energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.”

Allocations of Fund Benefits may only be made on the basis of moneys that have been deposited in the Fund. No award may encumber funds that have not been deposited in the Fund.

2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, evaluating the merits of applications for Fund Benefits, and making recommendations to NYPA on Fund Benefit awards. The Allocation Board uses the criteria applicable to EP, RP and PP allocations, and for revitalization of industry, provided for in Public Authorities Law § 1005. Additionally, the Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the Regional Economic Development Council having responsibility for the region in which an eligible project is proposed.

At its meeting on March 4, 2013, the Board, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. A copy of the relevant criteria (collectively, "Program Criteria"), adapted from this Board's "Procedures for the Review of Applications for Fund Benefits," is attached as Exhibit "F." The Board also defined "retail business" to mean "a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services."

Finally, the Board designated the Western New York Regional Director, Empire State Development Corporation to act on its behalf for administrative matters and to provide staff services ("Staff"). Among other things, Staff was authorized to perform analyses of applications seeking Fund Benefits and to make recommendations to the Board on the applications.

3. Application Process

The Allocations Board established a series of application due dates coupled with a schedule of dates through the end of 2013 on which dates the Board expected to meet to consider applications. In addition, the application process was promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, the Empire State Development Corporation and other local and regional economic development organizations within the State. A webpage was created that is hosted on WWW.NYPA.GOV/WNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by the Western New York Empire State Development regional office.

After the Board's first round of recommendations made at its May 13, 2013 meeting, NYPA made three awards of Fund Benefits.

As of May 7, 2013, the second application due date, the Board received 45 applications, over two rounds, collectively seeking over \$100 million in Fund Benefits.

To facilitate the Board's second round of application review, Staff analyzed applications and is now making recommendations to the Board on all outstanding applications except those listed on Exhibit "4-D," which are being deferred for future consideration, and Exhibit "4-E," which have been withdrawn by the applicants. Staff's recommendations are discussed in the next section.

DISCUSSION AND RECOMMENDATIONS TO THE BOARD

Staff has reviewed the applications received during the second solicitation round, and is making the following recommendations to the Board.

1. Recommendations for Awards of Fund Benefits

Based on a review of the applications and an application of relevant Program Criteria, Staff recommends that the Allocation Board recommend to NYPA Trustees that two applications listed on Exhibit "4-A-1" and Exhibit "4-A-2" each receive an award of Fund Benefits in the amount indicated. The applicants have indicated that the proposed projects would create or retain upwards of 345 jobs in Western New York. The total amount to be expended on the project proposed by these applicants is expected to exceed \$20M.

2. Recommendations for No Award

Based on a review of the applications and relevant Program Criteria, Staff recommends that the Allocation Board determine that no recommendation for an award of Fund Benefits will be made to the NYPA Trustees for the applications listed in Exhibit "4-B."

3. Ineligible Projects

Economic Development Law ("EDL") § 189-a(5) defines "eligible projects" and further excludes certain categories of projects from such definition, including "retail businesses" as defined by the WNYPPAB and "residential properties". As noted above, the Board has defined "retail business" to mean "a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services."

Based on a review of the applications and the Board's definition of "retail business," Staff recommends that the Board find and determine that each of the four applications listed in Exhibit "4-C" proposes a project that is not an eligible project. As described in Exhibit "4-C," the applications submitted by Kaleida Health, Mark Hutchinson, Vazquez Family Service, LLC and Try-It Distributing Company, Inc. each propose a project that constitutes a "retail business."

4. Recommendation for Future Consideration

The Board is also requested to defer the application listed in Exhibit "4-D" for consideration at a later time.

5. Other Applications

For the Board's information, Exhibit "4-E" lists those applications that have been withdrawn or which Staff has determined are incomplete. No action is required by the WNYPPAB on these applications at this time.

PROJECT STATUS

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by NYPA. Upon a showing of good cause, NYPA has discretion to adopt the Allocation Board's recommendation, or to award Fund Benefits in a different amount or on different terms than recommended by the Board. In addition, the Authority is authorized to include in any contract providing for the implementation of an award ("Award Contract") any terms and conditions that NYPA deems appropriate.

Given the preliminary stage of the projects identified on Exhibit "A-1" and Exhibit "4-A-2," Staff is not in a position to recommend any specific terms and conditions to the Board that might be included in the Board's recommendation for award. It is anticipated that NYPA staff, in consultation with Board Staff, will negotiate final terms and conditions with successful applicants after the receipt of more detailed information concerning the projects.

RECOMMENDATION

Based on the foregoing discussion and information, Staff recommends that the Allocation Board:

- (1) recommend to the NYPA Board of Trustees that the applicants listed in Exhibit "4-A-1" and "4-A-2" each receive an award of Fund Benefits in the amounts indicated;*
- (2) find and determine that none of the applications listed in Exhibit "4-B" will receive a recommendation for an award of Fund Benefits;*
- (3) find and determine that the applications listed on Exhibit "4-C" each proposes a project that is not an eligible project; and*
- (4) find and determine that the applications listed in Exhibit "4-D" be deferred for consideration at a later time.*

For the reasons stated, Staff recommends the adoption of the above-requested action by adoption of a resolution in the form of the foregoing draft resolution.

RESOLUTION

NOW THEREFORE BE IT RESOLVED, That the Western New York Power Proceeds Allocation Board ("Allocation Board") hereby recommends that the Power Authority of the State of New York ("NYPA") grant an award of Fund Benefits to each applicant listed in Exhibit "4-A-1," and Exhibit "4-A-2" in the amounts indicated therein, for the reasons set forth in the attached memorandum and the attachments thereto; and be it further

RESOLVED, That the Allocation Board hereby finds and determines that the applications listed in Exhibit "4-B" are not recommended for an award of Fund Benefits for the reasons set forth in the attached memorandum and the attachments thereto; and be it further

RESOLVED, That the Allocation Board hereby finds and determines that the applications listed in Exhibit "4-C" propose projects that are not eligible projects for the

reasons set forth in the attached memorandum and the attachments thereto, and therefore are not eligible to receive Fund Benefits; and be it further

RESOLVED, That the Allocation Board hereby finds and determines that the applications listed in Exhibit "4-D" will be deferred for consideration at a later time; and be it further

RESOLVED, That Staff is authorized on behalf of the Allocation Board to transmit the Board's decision to NYPA, and to do any and all things and take any and all actions to effectuate the Board's decision and the foregoing resolution.

Ms. Orsi, said that for this round, 27 applications were received with amounts requested totaling more than \$74,500,000. Two projects, totaling \$800,000, are being recommended at this time. The applications submitted were from various tracts: 7 from Business Investment; 4 from Infrastructure/Downtown Investment; 4 from Tourism/Marketing; 3 from Innovation/Entrepreneur Development; 2 from Workforce Development; and the remainder applied to a combination of these tracks or various other tracts.

In this round two applications for awards are being recommended; 9 applications are not being recommended; 4 applications are being recommended ineligible; 6 applicants have withdrawn their applications from consideration and 6 applications are being deferred to conduct further due diligence to ensure fully informed recommendations.

The two recommended projects are: Ascension Industries, Inc. and 425 Michigan Avenue-Compass East.

- **Ascension Industries, Inc.**

Ms. Orsi presented the recommendation for Ascension Industries, Inc. She said Ascension Industries, Inc. is recommended for an award of \$300,000 and the total project cost is approximately \$2,700,000. The company plans to convert post-recycled municipal waste into green power. The application supports the first build of this product and will create 15 jobs in advance manufacturing and help retain 131 jobs in Western New York.

Upon motion made by member Wojtaszek and seconded by member McDuffie, the recommendation was adopted unanimously.

- **425 Michigan Avenue, LLC Compass East**

Ms. Orsi presented the recommendation for 425 Michigan Avenue, LLC Compass East. She said 425 Michigan Avenue, LLC Compass East is recommended for an award of \$500,000 and the total project cost is estimated at \$20,836,889. This workforce development project will assist unemployed residents of the Eastside of Buffalo advance into the healthcare field profession by giving them CNA training. The company expects to train 200-250 people per year.

Upon motion made by member McDuffie and seconded by member Brennen, the recommendation was adopted with four members voting in favor and Chairman Colucci abstaining.

- **Recommendations for No Award**

Upon motion made by member McDuffie and seconded by member Brennen, the resolution not recommending the applicants listed in Exhibit “4-B” (Buffalo Niagara RIVERKEEPER; Buffalo Olmsted Parks Conservancy; Cleveland BioLabs, Inc.; Cornell Cooperative Extension of Niagara County; Empire State Shippers’ Association, Inc.; Forest Lawn Heritage Foundation; Martin House Restoration Corporation; SiGNa Chemistry, Inc.; Time Release Sciences, Inc.) for an award of Fund Benefits was adopted with members voting in favor of the resolution, with the exception of Chairman Colucci who abstained with respect to Buffalo Olmsted Parks Conservancy and member Wojtaszek with respect to Cornell Cooperative Extension of Niagara County.

- **Recommendation for Ineligible Projects**

Upon motion made by member McDuffie and seconded by member Brennen, the recommendation finding applicants listed in Exhibit “4-C” (Kaleida Health; Marl Hutchinson, Vazquez Family Service, LLC, and Try-it Distributing) not eligible for an award of Fund Benefits was adopted with members voting in favor of the resolution, with the exception of member Wojtaszek who abstained with respect to Kaleida Health.

- **Recommendation for Future Consideration**

Upon motion made by member Wojtaszek and seconded by member Elsenbeck, the recommendation to defer consideration of the applicants listed in Exhibit “4-D” (Global Outreach Mission, Inc.; Lockport Main Street, Inc.; Field and Fork Network; Niagara University; Aquarium of Niagara; Michigan Street African American Heritage Corridor Commission, Inc.) was adopted with members voting in favor of the resolution, with the exception of member Wojtaszek who abstained with respect to Niagara University.

5. Next Meeting and Adjournment

Chairman Colucci said the next meeting of the Board is scheduled for August 26, 2013. A motion to adjourn the meeting, made by member Elsenbeck and seconded by member Wojtaszek, was entertained by the Chairman and unanimously adopted.

EXHIBITS

FOR

JUNE 26, 2013

WESTERN NY

POWER PROCEEDS ALLOCATION

BOARD

Western New York Economic Development Fund ("Fund") Update¹

as of 05/30/2013

Fund Balance at the Time of the Previous WNYPPAB Meeting (May 13, 2013):	\$23,210,204
Incremental Deposits to the Fund Since the Previous WNYPPAB Meeting (May 13, 2013):	\$0
Administrative Expenses Withdrawn:	\$0
Fund Benefits Disbursed to Date ² :	\$0
Fund Balance:	\$23,210,204

Amount of Total Approved Awards for Energy Related Projects to Date ³ :	\$0
<i>Awards for Energy Related Projects as a % of Total to Date⁴:</i>	<i>0%</i>
Amount of Total Approved Awards for All Other Project Types to Date:	\$6,200,000
Total Awards of Fund Benefits Approved to Date:	\$6,200,000

Total Funds Available to be Awarded Prior to Today's Meeting:	\$17,010,204
Total Awards of Fund Benefits Proposed for June 26, 2013:	\$800,000
New Total of Funds Available to be Awarded: (should the proposed awards be approved)	\$16,210,204

Unutilized EP and RP as of May 30, 2013 (MW) ⁵ :	108
Timeframe for Next Expected Deposit to the Fund:	July, 2013

¹ The "Fund", known as the "Western New York Economic Development Fund", is created and administered by the New York Power Authority ("NYPA"). It is funded with the aggregate excess of revenues ("Net Earnings") received by NYPA from the sale of Expansion and Replacement Power produced at NYPA's Niagara Power Project that was sold in the wholesale energy market over what revenues would have been received had such Power been sold on a firm basis to an eligible Expansion or Replacement Power customer.

² Fund monies paid to a successful applicants are known as "Fund Benefits."

³ In accordance with EDL § 189-a(6), "energy-related projects, programs and services" means: (1) energy efficiency projects and services; (2) clean energy technology projects and services; (3) high performance and sustainable building programs and services; and (4) the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.

⁴ As dictated by the Western New York Power Proceeds Allocation Act, a minimum of 15% of the funds awarded will go to "energy-related projects, programs and services".

⁵ "EP" is Expansion Power and "RP" is Replacement Power. The "Average" is an estimated historical average of EP and RP megawatts sold into the wholesale energy market since September 2010 and makes no representation of the availability of power in the future.

Recommended Award: Exhibit "A-1"

Applicant Name:	Ascension Industries, Inc.	REDC Region:	Western New York
Project Type:	Business Investment Innovation/Entrepreneur Development	County:	Niagara
Industry:	Advanced Manufacturing	Locality:	North Tonawanda
Amount Requested:	\$600,000	Start Date:	11/01/2013
		Finish Date:	12/31/2014
RECOMMENDED OFFER			
Recommended Total Award:	\$300,000		
Total Project Cost:	\$ 2,700,000		
% of Project Cost Recommended:	11%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	131		
Number of Jobs Created:	15		
Average Salary of Jobs:	\$60,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>Ascension has been presented with a manufacturing opportunity of a lifetime. We are the chosen builder of an innovative and patented technology developed in Ottawa that converts post recycled municipal waste into green power. We will produce the company's first skid mounted facility in North Tonawanda for shipment to a Canadian site where it will be deployed. This application supports the first build of this product and creates tremendous job growth opportunity for WNY.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT			
SOURCE	AMOUNT		
N/A	N/A		
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
SOURCE	AMOUNT		
ESD	26,070		
ESD	40,000		
ESD	100,000		
ESD	50,000		
BASIS FOR RECOMMENDATION			

This applicant has demonstrated the ability to carry out a very progressive energy project that will lead to job creation in North Tonawanda. The project will create 15 new jobs with an average annual salary of \$60,000. This award will allow the company to expand the current capacity of their facility, equipment and staff in order ramp up for this project.

This project is on the cutting edge of clean energy technology as it will revolutionize municipal waste remediation. This company has truly demonstrated that this is a golden opportunity for the company and the Western New York Region.

Recommended Award: Exhibit "A-2"

Applicant Name:	425 Michigan Avenue LLC	REDC Region:	Western New York
Project Type:	Workforce Development/Business Investment/Infrastructure/Downtown Investment	County:	Erie
Industry:	Health/Life Sciences	Locality:	Buffalo
Amount Requested:	\$3,449,663	Start Date:	May 2013
		Finish Date:	December 2014
RECOMMENDED OFFER			
Recommended Total Award:	\$500,000		
Total Project Cost:	\$21,086,889		
% of Project Cost Recommended:	2.37 %		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	Undetermined		
Number of Jobs Created:	Undetermined		
Average Salary of Jobs:	\$20,000		
Indirect Jobs Created	Undetermined		
Other Impact	200-250 people trained and placed annually		
PROJECT DESCRIPTION			
<p>This is a workforce development project that will focus on helping unemployed residents on the Eastside of Buffalo move into professions in the field of healthcare by putting them through CNA training. This project will include the construction of a 10,000 square foot educational facility located on the East side of the City of Buffalo. The facility will include a classroom setting, a care facility simulator, and an informational technology laboratory, each of which is critical to the successful education of a CNA.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT			
SOURCE	AMOUNT		
N/A	N/A		
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
SOURCE	AMOUNT		
N/A	N/A		
BASIS FOR RECOMMENDATION			
<p>This applicant has demonstrated a strategy that will target an under-represented community and provide training and long term employment for those that are currently in need of such opportunities. By locating this training in a highly accessible area on the Eastside of Buffalo this project will create a much needed workforce development pipeline in the City of Buffalo.</p> <p>The building this applicant is renovating to house this project is the gateway to the most distressed area in all of the City of Buffalo and it will serve as the first major connection between the African</p>			

American Heritage Corridor and Larkinville. This project represents a great opportunity for the neighborhood the building resides in and for the community on the Eastside of Buffalo.

Not Recommended: Exhibit "B"

Applicant Name:	Buffalo Niagara RIVERKEEPER	REDC Region:	Western New York
Project Type:	Infrastructure/Downtown Investment	County:	Erie
Industry:	Tourism	Locality:	City of Buffalo
Amount Requested:	\$844,625	Total Project Cost:	\$ 844,625

REGIONAL IMPACT MEASUREMENTS

Number of Jobs Retained:	0
Number of Jobs Created:	Unspecified
Average Salary of Jobs:	N/A
Indirect Jobs Created	Unspecified
Other Impact	

PROJECT DESCRIPTION

After environmental remediation, this site will be developed as a universally accessible waterfront park featuring a canoe/kayak launch at the mouth of the Scajaquada Creek, along the Canal portion of the Niagara River. Providing a critical Blueway Trail link to Buffalo's Olmsted Parks and along the Greenway, this historic War of 1812 site will also provide physical and visual connectivity into and from the water to Buffalo's Tonawanda Street BOA and Upper West Side and Black Rock Neighborhoods.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT

SOURCE	AMOUNT
N/A	N/A
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED	
SOURCE	AMOUNT
N/A	N/A

BASIS FOR RECOMMENDATION

This project will not create a measurable increase in tourism and therefore will not have a significant economic impact on the region.

Not Recommended: Exhibit "B"

Applicant Name:	Buffalo Olmsted Parks Conservancy	REDC Region:	WNY
Project Type:	Workforce Development	County:	Erie
Industry:	Conservation	Locality:	Buffalo
Amount Requested:	\$412,839	Total Project Cost:	\$ 412,839
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:			
Number of Jobs Created:	75 Seasonal Jobs		
Average Salary of Jobs:	Paid Hourly		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>The nation's first city-wide park & parkway system provides Western NY opportunities for recreation and employment. This grant will allow the Buffalo Olmsted Parks Conservancy in partnership with the Center for Employment Opportunities to train and employ a highly diverse group of individuals, some with significant barriers to employment; assuring that this historic parkland is optimized for recreational and tourism purposes. It will also provide tools and equipment needed for the staff.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT			
SOURCE	AMOUNT		
N/A	N/A		
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT		
N/A	N/A		
BASIS FOR RECOMMENDATION			
<p>Although the proposed project has merits, the project is not developed enough to be able to recommend for a Fund Benefit award. As a workforce development program this applicant should partner with another organization that could transition these workers into full time employment opportunities following each park season. In addition, the applicant asked for 100% of the program costs, which leads to the question of whether or not the program could be sustained without a Fund Award in the subsequent years.</p>			

Not Recommended: Exhibit "B"

Applicant Name:	Cleveland BioLabs, Inc.	REDC Region:	Western New York
Project Type:	Innovation/Entrepreneur Development	County:	Erie
Industry:	Health/Life Sciences, Higher Education	Locality:	Buffalo
Amount Requested:	\$500,000	Total Project Cost:	\$1,907,231

REGIONAL IMPACT MEASUREMENTS

Number of Jobs Retained:	38
Number of Jobs Created:	2
Average Salary of Jobs:	\$89,110
Indirect Jobs Created	
Other Impact	

PROJECT DESCRIPTION

Launch the Cancer Immunotherapy Division (CID) of CBLI, which will accelerate our oncology research program, provide critical support to advance our lead product, Entolimod, toward approved cancer and anti-radiation treatment and further the development of a new generation of novel oncology drugs. Proceeds will be used for capital acquisition of laboratory equipment, creation of 2 full time jobs, 2 research fellow positions and the retention and training of 12 current employees.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT

SOURCE	AMOUNT
ESD	\$327,500

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

SOURCE	AMOUNT
N/A	N/A

BASIS FOR RECOMMENDATION

This applicant has received assistance from the State as recently as this week and ESD is continuing to work with the applicant to help them finance their project.

Not Recommended: Exhibit "B"

Applicant Name:	Cornell Cooperative Extension of Niagara County	REDC Region:	Western New York
Project Type:	Tourism/Marketing	County:	Niagara
Industry:	Educational Programming	Locality:	Lockport
Amount Requested:	\$44,338	Total Project Cost:	\$ 44,338

REGIONAL IMPACT MEASUREMENTS

Number of Jobs Retained:	0
Number of Jobs Created:	0
Average Salary of Jobs:	0
Indirect Jobs Created	0
Other Impact	Increase the economic viability of the agricultural sector in NYS.

PROJECT DESCRIPTION

This project aims to increase tourism in the agriculture sector through a regional branding and marketing initiative. The main output of this project would be a website highlighting the following agritourism businesses': farmers markets, u-pick farms, farm stands, urban farms, community supported agriculture, organic farms, restaurants using local products, and other agritourism activities.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT

SOURCE	AMOUNT
N/A	N/A
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED	
SOURCE	AMOUNT
N/A	N/A

BASIS FOR RECOMMENDATION:

Although the project positively impacts both the agriculture and tourism industries, NYS is already advancing a program similar to the applicant's proposed project.

Not Recommended: Exhibit "B"

Applicant Name:	Empire State Shippers' Association, Inc.	REDC Region:	Western New York
Project Type:	Business Investment	County:	Erie
Industry:	Business incubation providing logistics support	Locality:	Cheektowaga
Amount Requested:	\$644,001	Total Project Cost:	\$1,888,038
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	0		
Number of Jobs Created:	23		
Average Salary of Jobs:	\$32,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>Project is a mixed-use incubator program to facilitate collaboration between well-established companies, local entrepreneurs, and Canadian firms in a low-risk, shared service environment. Project will attract business with low flexible lease options, warehouse space, versatile work and office space, common areas, shared equipment and services, in-house networking. This project activates many elements of the WNY Regional economic develop plan and Binational logistics hub initiative.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT			
SOURCE		AMOUNT	
N/A		N/A	
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
SOURCE		AMOUNT	
N/A		N/A	
BASIS FOR RECOMMENDATION			
<p>An award would put the company at a competitive advantage as a landlord because they would be able to provide low cost lease options to local manufactures and or distributors putting other developers and landlords at a disadvantage when leasing their space.</p>			

Not Recommended: Exhibit "B"

Applicant Name:	Forest Lawn Heritage Foundation	REDC Region:	WNY
Project Type:	Infrastructure/Downtown Investment	County:	Erie
Industry:	Tourism	Locality:	City of Buffalo
Amount Requested:	\$480,000	Total Project Cost:	\$ 510,600

REGIONAL IMPACT MEASUREMENTS

Number of Jobs Retained:	0
Number of Jobs Created:	0
Average Salary of Jobs:	N/A
Indirect Jobs Created	0
Other Impact	

PROJECT DESCRIPTION

International Chimney inspected nearly a mile of retaining walls along the Scajaquada Creek within Forest Lawn. The report indicated that 1312 linear feet of the wall is leaning, settled, collapsed, or missing and in need of repair. The project for which we request funding is to rebuild and restore that section. Work will include excavating and testing inspection holes, taking soil borings, repairing foundation and scour holes, and filling sink holes along the shoreline.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT

SOURCE	AMOUNT
Member Item	\$300,000

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

SOURCE	AMOUNT
N/A	N/A

BASIS FOR RECOMMENDATION

The nature of this project would not result in an economic impact on the region.

Not Recommended: Exhibit "B"

Applicant Name:	Martin House Restoration Corporation	REDC Region:	Western New York
Project Type:	Infrastructure/Downtown Investment	County:	Erie
Industry:	Tourism	Locality:	City of Buffalo
Amount Requested:	\$2,500,000	Total Project Cost:	\$ 5,300,000

REGIONAL IMPACT MEASUREMENTS

Number of Jobs Retained:	0
Number of Jobs Created:	0
Average Salary of Jobs:	N/A
Indirect Jobs Created	0
Other Impact	

PROJECT DESCRIPTION

The subject project is the interior restoration of the Darwin D. Martin House, specifically, the restoration of the extensive wood trim and intricate paint finishes designed by Frank Lloyd Wright for all 3 levels of the 15,000 sf home. A range of trim and finish conditions currently exists in the home; all will be mitigated by this project and the house returned to its original state in 1907. This project will likely be broken down into phases, by floor, subject to current funding levels.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT

TYPE	AMOUNT
NYS EPF	\$175,000
NYS EPF	\$250,000
NYEDP/DASNY	\$300,000
WNYREDC	\$268,000
Erie County	\$50,000

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

NYS Blueprint	\$3,000,000
SUBSUNY	\$7,000,000
Member Item	\$500,000

BASIS FOR RECOMMENDATION

Martin house has received recent state assistance.

Not Recommended: Exhibit "B"

Applicant Name:	SiGNa Chemistry, Inc.	REDC Region:	Western New York
Project Type:	Business Investment	County:	Niagara
Industry:	Advanced Manufacturing	Locality:	City of Niagara falls
Amount Requested:	\$392,000	Total Project Cost:	\$ 2,069,500
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	10		
Number of Jobs Created:	70		
Average Salary of Jobs:	\$50,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>In Project Element, the Company will design and build a new manufacturing facility to produce stabilized reactive metals, including sodium silicide. This project will create 70 jobs (and 140 ancillary jobs) and produce clean energy products for the pharmaceutical, energy and petrochemical markets. The project includes the rehab of 28,750 sf of space at the Wheatfield Business Park, installation of new manufacturing equipment and staffing of a new Niagara-based team to manage the operation.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT			
SOURCE	AMOUNT		
ESD	\$500,000		
NYPA	2,500 kW		
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
SOURCE	AMOUNT		
N/A	N/A		
BASIS FOR RECOMMENDATION			
<p>SiGNa Chemistry has received the above incentives from ESD and NYPA for this very project under. At the time these incentives were offered the company committed to make this investment and complete this project. There is no reason to believe that any further assistance is necessary.</p>			

Not Recommended: Exhibit "B"

Applicant Name:	Time Release Sciences, Inc	REDC Region:	Western New York
Project Type:	Business Investment	County:	Erie
Industry:	Logistics/Trade	Locality:	City of Buffalo
Amount Requested:	\$1,600,000	Total Project Cost:	\$8,000,000

REGIONAL IMPACT MEASUREMENTS

Number of Jobs Retained:	67
Number of Jobs Created:	7
Average Salary of Jobs:	\$31,000
Indirect Jobs Created	0
Other Impact	

PROJECT DESCRIPTION

P&G is requiring TRS to become a full service supplier if we expect to keep this business long term. This would require TRS to directly purchase materials. These purchases will approx. \$20 million when fully implemented. This will create a tremendous working capital burden on TRS. Accounts receivable will increase by approx. \$5 million as our terms with P&G is Net 90 days, while inventory will increase by approx. \$3 million, creating an overall increase of working capital of approx. \$8 million.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED FOR THIS PROJECT

SOURCE	AMOUNT
N/A	N/A
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED	
SOURCE	AMOUNT
ESD	\$300,000

BASIS FOR RECOMMENDATION

The applicant has demonstrated the ability to carry on the project without any assistance and they are not in any danger of scaling back their workforce. The applicant has also received recent incentives from ESD and is already under a job commitment.

Ineligible Projects

Line	Business	City	County	Economic Development Region	Project Description	Classification
1	Kaleida Health	Buffalo	Erie	Western NY	Relocation of the Women and Children's Hospital of Buffalo to Buffalo Niagara Campus	Retail ¹
2	Marl Hutchinson	Buffalo	Erie	Western NY	Restaurant expansion	Retail ¹
3	Vazquez Family Service, LLC	Buffalo	Erie	Western NY	Establish a family medical practice	Retail ¹
4	Try-It Distributing Company, Inc.	Lancaster	Erie	Western NY	Compressed natural gas filling station open to the public and fleet conversion	Retail ¹

¹ In accordance with EDL § 189-a(5), the Board defines "retail business" to mean a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.

Western NY Power Proceeds Allocation Board

Exhibit "D"
June 26, 2013

Applications Deferred for Further Analysis

Line	Business	Classification
1	Global Outreach Mission, Inc.	Deferred for further analysis
2	Lockport Main Street, Inc.	Deferred for further analysis
3	Field and Fork Network	Deferred for further analysis
4	Niagara University	Deferred for further analysis
5	Aquarium of Niagara	Deferred for further analysis
6	Michigan Street African American Heritage Corridor Commission, Inc.	Deferred for further analysis

Western NY Power Proceeds Allocation Board

Exhibit "E"
June 26, 2013

Withdrawn Applications

Line	Business	Classification
1	Alita USA Holdings	Withdrawn by applicant
2	Western New York Technology Development Center, Inc. d/b/a Insyte Consulting	Withdrawn by applicant
3	Trek, Inc.	Withdrawn by applicant
4	Photolitec, LLC	Withdrawn by applicant
5	Eden Valley Growers, Inc.	Withdrawn by applicant
6	Niagara Label	Withdrawn by applicant

Western NY Power Proceeds Allocation Board
Exhibit F – Program Criteria
June 26, 2013

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.¹ 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

¹ 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.

operational relationships; promote the attractiveness of WNY as a hub for global trade.

- 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.² 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.

² 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.

9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.
 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.
-
-