

February 3, 2014

**MEMORANDUM TO THE WESTERN NEW YORK POWER PROCEEDS
ALLOCATION BOARD**

**FROM THE WESTERN NEW YORK REGIONAL DIRECTOR, EMPIRE STATE
DEVELOPMENT CORPORATION**

**SUBJECT: Awards of Fund Benefits from the Western New York Economic
Development Fund**

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 found in Exhibit “A” and Exhibit “B” in the amounts indicated in each Exhibit.

The Board is also requested to find and determine that: (1) the applications listed in Exhibit “C” will not receive a recommendation for an award of Fund Benefits based upon the application of the relevant program criteria to such applications and as further explained in the relevant recommendation memos.

The Board is also requested to defer consideration of the applications listed in Exhibit “D” until a later 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 “E”. 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 along with NYPA, 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 Allocation 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.

In this fifth round, the Board reviewed 18 applications collectively seeking over \$12 million in Fund Benefits. Staff analyzed the applications and is now making recommendations to the Allocation Board on all applications.

DISCUSSION AND RECOMMENDATIONS TO THE BOARD

Staff has reviewed the applications received during the fifth 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 the NYPA Trustees that the two applications described in Exhibit "A" and Exhibit "B" each receive an award of Fund Benefits in the amount indicated in these exhibits. Collectively, these applicants have indicated that the proposed projects would create or retain 35 jobs in Western New York. The total amount to be expended by the applicants on their proposed projects is expected to exceed \$1.2M.

Staff has been advised that one or more of these applications may propose projects that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before they may proceed. Staff recommends that any affirmative recommendation by the Board for any such project not be forwarded to the NYPA for action until after the Board receives appropriate notification that all such approvals and requirements have been satisfied, and that such recommendations be made subject to further consideration by Board in the event that such approvals and/or legal requirements are not satisfied.

2. Recommendations for No Award

Based on a review of the applications and an application of relevant Program Criteria and for the reasons further discussed in Exhibit “C”, 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 “C”.

3. Defer for Further Analysis and Possible Consideration

The Board is also requested to defer the applications listed in Exhibit “D” for further analysis and possible consideration at a later 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 two projects identified on Exhibit “A” and Exhibit “B”, Staff is not in a position to recommend any specific terms and conditions that might be included in the Board’s recommendations for awards other than what might be described in these exhibits. It is anticipated that NYPA staff, in consultation with 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 each of the applicants listed in Exhibit “A” and Exhibit “B” receive an award of Fund Benefits in the amounts recommended in the Exhibits;
- (2) find and determine that the applications listed in Exhibit “C” will not receive a recommendation for an award of Fund Benefits; and
- (3) Defer consideration of the applications listed in Exhibit “D” for further analysis and possible 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 attached draft resolution.

Christina Orsi

Western New York Regional Director,
Empire State Development Corporation

Att.

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 the applicants listed in Exhibit “A” and Exhibit “B” in the amounts recommended therein, for the reasons set forth in the attached memorandum and Exhibit “A” and Exhibit “B”, provided that (i) applications which propose projects that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before they may proceed shall not be forwarded to NYPA until Staff, on behalf of the Board, receives appropriate notification that legal approvals and/or requirements which are necessary for the project to proceed have been satisfied, and (ii) such recommendations shall be subject to further Board review in the event that such approvals and/or legal requirements are not satisfied; and be it further

RESOLVED, That the Allocation Board hereby finds and determines that the applications listed in Exhibit “C” are not recommended for an award of Fund Benefits for the reasons set forth in the attached memorandum and Exhibit “C”; and be it further

RESOLVED, That the Allocation Board hereby finds and determines that the applications listed in Exhibit “D” will be deferred for further analysis and possible 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 and recommendations 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.

Recommended Award: Exhibit "A"

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 "B"

Applicant Name:	Living Green Insulation Products & Services LLC* *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
RECOMMENDED OFFER			
Recommended Total Award:	\$165,570		
Total Project Cost:	\$891,765		
% of Project Cost Recommended:	18.5%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	3		
Number of Jobs Created:	29		
Average Salary of Jobs:	\$20,800		
Indirect Jobs Created:			
Other Impact:			
PROJECT DESCRIPTION			
<p>Living Green Insulation Products & 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

TYPE	AMOUNT	STATUS
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.
-

Not Recommended: Exhibit "C"

Applicant Name:	Onyx Administrative Services of Buffalo, New York LLC DBA Onyx Global Group	REDC Region:	Western New York
Project Type:	Innovation/Entrepreneur Development	County:	Erie
Industry:		Locality:	City of Buffalo
Amount Requested:	\$728,000	Start Date:	TBD
		Finish Date:	TBD
RECOMMENDED OFFER			
Recommended Total Award:	\$0		
Total Project Cost:	\$928,850		
% of Project Cost Recommended:	0%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	N/A		
Number of Jobs Created:	N/A		
Average Salary of Jobs:	N/A		
Indirect Jobs Created	N/A		
Other Impact	N/A		
PROJECT DESCRIPTION			
<p>This project involves an adaptive re-use of a vacant building into a mixed use office, warehouse complex oriented to start-up businesses and creating jobs in the green technology sector. The project will concentrate on providing start-up, growth and development opportunities for several women and minorities in the green technology business sector such as architectural, IT, high tech development, software development, medical device sales, green supplies and distribution and green construction. Onyx will provide office space, professional mentorship, training to access seed funds, marketing strategies, accounting, legal, insurance and surety bonding assistance.</p>			
BASIS FOR RECOMMENDATION			
<p>It is recommended that the Board not recommend this application for an award. Although this project has some merit, the applicant has requested the Fund provide a grant for almost 80% of the total project cost and has not provided evidence of becoming self-sufficient in the future.</p>			

Not Recommended: Exhibit "C"

Applicant Name:	Arts Services Initiative of Western New York, Inc	REDC Region:	WNY
Project Type:	Tourism/Marketing	County:	Erie
Industry:		Locality:	Buffalo
Amount Requested:	\$50,000	Start Date:	02/01/2014
		Finish Date:	TBD
RECOMMENDED OFFER			
Recommended Total Award:	\$0		
Total Project Cost:	\$75,000		
% of Project Cost Recommended:	0%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	N/A		
Number of Jobs Created:	N/A		
Average Salary of Jobs:	N/A		
Indirect Jobs Created	N/A		
Other Impact			
PROJECT DESCRIPTION			
<p>Arts Services Initiative of Western New York (ASI) plans to enhance marketing efforts for the region's Path Through History, a cultural/heritage tourism initiative working in collaboration with I Love NY and Governor Cuomo's statewide effort to increase tourism. ASI has received partial funding to conduct a digital marketing campaign that connects potential visitors to information on area cultural and historical destinations. With funding from the WNYPPAB, ASI will be able to develop a more focused set of tools including a mobile app, video/audio interpretation and a website to manage the leads developed by the marketing campaign.</p>			
BASIS FOR RECOMMENDATION			
<p>It is recommended that the Board not recommend this application for an award on the ground that the application has not provided a basis to conclude that the proposed project will, as currently proposed, provide a level of economic impact necessary to support an award of Fund Benefits at this time.</p>			

Not Recommended: Exhibit "C"

Applicant Name:	Buffalo Maritime Center	REDC Region:	WNY
Project Type:	Tourism/Marketing	County:	Niagara
Industry:		Locality:	Buffalo
Amount Requested:	\$295,034	Start Date:	10/7/2011
		Finish Date:	12/30/2015
RECOMMENDED OFFER			
Recommended Total Award:	\$0		
Total Project Cost:	\$295,034		
% of Project Cost Recommended:	0%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	N/A		
Number of Jobs Created:	N/A		
Average Salary of Jobs:	N/A		
Indirect Jobs Created	N/A		
Other Impact			
PROJECT DESCRIPTION			
<p>Completion of restoration/renovation/repairs to the historic 1913 Buffalo Bronze Foundry building donated by M&T Bank to BMC for use as a museum and intergenerational learning center to make it a structure that adds to the health and revival of the Black Rock community as a tourist destination. Funds will also be used to mount a nationwide public relations campaign to bring tourists and students to our programs.</p>			
BASIS FOR RECOMMENDATION			
<p>It is recommended that the Board not recommend this application for an award on the ground that the application has not provided a basis to conclude that the proposed project will, as currently proposed, provide a level of economic impact necessary to support an award of Fund Benefits at this time.</p>			

Not Recommended: Exhibit "C"

Applicant Name:	Niagara County Historical Society/ DBA the History Center of Niagara	REDC Region:	WNY
Project Type:	Tourism Marketing	County:	Niagara
Industry:	Tourism	Locality:	Lockport NY
Amount Requested:	\$249,382	Start Date:	1/1/2014
		Finish Date:	12/31/15
RECOMMENDED OFFER			
Recommended Total Award:	\$0		
Total Project Cost:	\$ 219,088		
% of Project Cost Recommended:	0 %		
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			
<p>The History Center of Niagara County, located on three sites in Lockport, NY, proposes to enhance its established heritage tourism destination by creating eight innovative exhibits, including an outdoor working model of two of the Flight of Five locks. Other visitor-friendly exhibits at the Center's sites will include interactive animatronic figures featuring characters such as Belva Lockwood and Nikola Tesla, doorway theaters, photo/video opportunities in front of virtual sites such as Niagara Falls, touch-screen maps and artifacts from the Charles Rand Penney collections from the History Center and seven other Erie and Niagara County organizations. Mobile apps and traveling exhibits that will attract new, younger audiences, regional residents and a higher percentage of the 12 million visitors to the Buffalo-Niagara region each year will also be included in the project.</p> <p>The planning team for the project conducted a series of community focus groups with prospective new visitor/member groups in order to determine challenges and potential interests. The predominant theme that surfaced throughout the conversations was the need to illuminate the past from a contemporary perspective, utilizing social media, mobile technology and hands-on experiences rather than static exhibits.</p>			
BASIS FOR RECOMMENDATION			
<p>It is recommended that the Board not recommend this application for an award on the ground that the application has not provided a basis to conclude that the proposed project will, as currently proposed, provide a level of economic impact necessary to support an award of Fund Benefits at this time.</p>			

Not Recommended: Exhibit "C"

Applicant Name:	Paradigm of New York, LLC	REDC Region:	WNY
Project Type:	Business Investment	County:	Niagara
Industry:		Locality:	Lockport
Amount Requested:	\$380,000	Start Date:	01/02/2014
		Finish Date:	12/01/2014
RECOMMENDED OFFER			
Recommended Total Award:	\$0		
Total Project Cost:	\$1,900,000		
% of Project Cost Recommended:	0%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	0		
Number of Jobs Created:	21		
Average Salary of Jobs:	\$49,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>The Paradigm System cleans exhaust gases of soot and saves fuel & maintenance costs for diesel and gasoline engines. The product prototype is currently in development and testing. This project achieves product production readiness and initial manufacturing. Engineers will be hired in 1st qtr 2014 to complete the development, in-use robustness testing, verification testing, manufacturing start up and customer support setup. Sales resources will be hired in 3rd qtr 2014 to establish distribution and to begin securing sales orders. By 4th qtr 2014 a manufacturing plant will go into operation with employees hired to begin manufacturing.</p>			
BASIS FOR RECOMMENDATION			
<p>It is recommended that the Board not recommend this application for an award. Although the plan proposed in the application has merit, the project itself is still in a research and development stage. This effectively precludes the applicant from providing evidence that the technology is sound and the projected job creation is imminent and deliverable. It is recommended that the Board not recommend an award at this time, and that staff be authorized to invite the applicant to reapply when the project is at the production stage.</p>			

Not Recommended: Exhibit "C"

Applicant Name:	Sterling Energy Group, Inc.	REDC Region:	Western New York
Project Type:	Business Investment	County:	Niagara
Industry:	Alternative Energy	Locality:	Niagara Falls
Amount Requested:	\$750,000	Start Date:	10/15/2013
		Finish Date:	01/15/2014
RECOMMENDED OFFER			
Recommended Total Award:	\$0		
Total Project Cost:	\$20,000,000		
% of Project Cost Recommended:			
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	0		
Number of Jobs Created:	25		
Average Salary of Jobs:	\$50,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
Sterling Energy Group, Inc. will acquire a power plant located at 5300 Frontier Avenue in Niagara Falls, NY. Sterling will retrofit and bring the facility back online to produce ~50 MW of power capacity and create 25 jobs with an annual average wage of \$50,000. The plant previously run by US Renewable Groups will require repairs and upgrades. A nearby property will be acquired to construct a wood & coal storage facility, house a CNG fueling station and equipment to move the fuel to the plant.			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD:	\$	NYPA:	\$
IDA:	\$	Other: NEDF Loan	\$500,000
BASIS FOR RECOMMENDATION			
It is recommended that the Board not recommend this application for an award. Following the submission of this application, the applicant was offered a loan through The Niagara Economic Development Fund which should be sufficient to enable the applicant to move this project forward.			

Not Recommended: Exhibit "C"

Applicant Name:	SynchroPET	REDC Region:	Western New York
Project Type:	Business Investment	County:	Erie
Industry:	Health/Life Sciences	Locality:	City of Buffalo
Amount Requested:	\$500,000	Start Date:	TBD
		Finish Date:	TBD
RECOMMENDED OFFER			
Recommended Total Award:	\$0		
Total Project Cost:	\$1,000,000		
% of Project Cost Recommended:	0%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	0		
Number of Jobs Created:	13		
Average Salary of Jobs:	\$1,700,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>SynchroPET will hire local contract design firms and engineers to modify our small animal PET systems to make them a commercial product. We will rewrite the software associated with our devices and redesign our power supplies. We will then run a BETA process by siting our devices at a number of research institutions that can utilize our small animal PET Scanners for their research. We will obtain feedback from our BETA users and then use it for final design of our commercial product. We will then begin sales of our commercial products.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD:	\$	NYPA:	\$
IDA:	\$	Other: UB CAT Grant	\$50,000
BASIS FOR RECOMMENDATION			
<p>Although this project has some merit this applicant has asked for an award equaling 50% of the total project cost cited in the application, which is 30% over the recommended guideline, and which would still leave \$250,000 gap in their budget which they hope to have filled by another investor reviewing the project. The applicant is also still in a research and development phase of the project which precludes the applicant from providing evidence that the technology is sound and the projected job creation is imminent and deliverable. It is recommended that the Board not recommend an award at this time, and that staff be authorized to invite the applicant to reapply when the project is at the production stage and the remaining budget gap is closed.</p>			

Applications Deferred for Further Analysis and Possible Consideration at a Later Time

Line	Business	Classification
1	Buffalo Niagara Enterprise	Deferred for further analysis
2	Greater Buffalo United Accountable Healthcare Network (GBUAHN), MSO, LLC	Deferred for further analysis
3	Buffalo Syngas, LLC	Deferred for further analysis
4	Entecco, LLC	Deferred for further analysis
5	City Labs, Inc., A Florida Corporation	Deferred for further analysis
6	Humble Pie (previously deferred)	Deferred for further analysis
7	Trek Industries	Deferred for further analysis
8	Triad Recycling	Deferred for further analysis
9	Riviera Theatre and Organ Preservation Society Inc.	Deferred for further analysis