



# Western NY Power Proceeds Allocation Board

## WESTERN NEW YORK POWER PROCEEDS ALLOCATION BOARD

### MINUTES

February 4, 2019- 3:00 p.m.

New York Power Authority's Buffalo Office  
535 Washington Street, Suite 202  
Buffalo, New York

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# Western NY Power Proceeds Allocation Board

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 Chair (excused)  
Deanna Alterio Brennen (Acting Chair)  
Dennis Elsenbeck  
Brenda McDuffie  
Paul Brown

## **NYPA Staff Present:**

Karen Delince	Corporate Secretary <b>(via video in White Plains)</b>
Richard Smith	Director, Business & Project Development
Valerie Venuti	Administrative Assistant <b>(via video in White Plains)</b>

## **ESDC Staff Present:**

Angela Rossi	Special Assistant to Regional President
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## **Guests:**

Edward Snell	CEO, HWI
John Horn	Board Chair, HWI
Jill Szczesek	COO, HWI



## Western NY Power Proceeds Allocation Board

### Opening Remarks

Member Brennen welcomed members of the Board, the staff of Empire State Development Corporation (ESDC), and the staff of the New York Power Authority ("NYPA"). She stated that this meeting of the Board had been duly noticed as required by the Open Meetings law. The meeting was called to order at 3:00 p.m.



## Western NY Power Proceeds Allocation Board

### 1. Adoption of the February 4, 2019 Proposed Meeting Agenda

Member McDuffie made a motion to adopt the February 4, 2019 meeting agenda. The motion was seconded by member Elsenbeck. The agenda was unanimously adopted.

### Conflicts of Interest

Member Elsenbeck stated that he had a conflict of interest (when the members were polled) and would abstain from voting.



## Western NY Power Proceeds Allocation Board

### 2. Adoption of the June 5, 2018 Meeting Minutes

Member Brennen asked whether there were any amendments to the Minutes.

Upon motion made by member Elsenbeck and seconded by member Brown, the June 5, 2018 meeting minutes were adopted.



## Western NY Power Proceeds Allocation Board

### 3. Fund Balance Update

Richard Smith submitted the following December 2018 Western New York Economic Development Fund Update report:



# Western NY Power Proceeds Allocation Board

Western New York Economic Development Fund Update <sup>1</sup>		As of December-18
<b>The Fund</b>		
<i>this</i>	Total Deposits to the Fund to Date:	\$41,474,000
<i>plus</i>	Total Interest Earned on Deposits to Date:	\$360,229
=	<b>Total Funds Deposited:</b>	<b>\$41,834,229</b>
<b>Expenditures</b>		
<i>this</i>	<b>Total Funds Deposited:</b>	<b>\$41,834,229</b>
	Total Administrative Expenses Withdrawn:	\$0
	Disbursements to Grantees:	(\$31,093,563)
<i>plus</i>	<b>Total Expenditures:</b>	<b>(\$31,093,563)</b>
=	<b>Current Fund Balance:</b>	<b>\$10,740,666</b>
<b>Awards</b>		
<i>this</i>	<b>Total Funds Deposited:</b>	<b>\$41,834,229</b>
	Standard Projects:	\$32,105,327
	Energy Related Projects <sup>2</sup> :	\$4,878,320
<i>minus</i>	<b>Total Fund Benefits Awarded<sup>3</sup>:</b>	<b>\$36,983,647</b>
=	<b>Total Fund Benefits Available to be awarded by the WNYPPAB<sup>4</sup>:</b>	<b>\$4,850,582</b>
<b>Energy-Related Projects</b>		
<i>this</i>	Minimum Amount (15%) of the Fund Dedicated to Energy-Related Projects:	\$6,221,100
<i>minus</i>	Total Awards (12%) Made for Energy-Related Projects to Date (not including today):	\$4,878,320
=	<b>Fund Benefits Currently Available to be Awarded for Energy-Related Projects Only:</b>	<b>\$1,342,780</b>
<b>Today's Recommendations</b>		
<i>this</i>	Standard Projects:	\$391,000
<i>plus</i>	Energy-Related Projects or Project Components:	\$609,000
=	<b>1 Total Recommendations Before the WNYPPAB Today:</b>	<b>\$1,000,000</b>
<b>Expansion Power ("EP") and Replacement Power ("RP") Summary</b>		
<i>this</i>	Estimated Unallocated EP and RP to Date (MW):	167
<i>plus</i>	Estimated Allocated but Unused Hydropower to Date (MW) <sup>5</sup> :	22
=	<b>Total Estimated Unutilized EP and RP to Date (MW)<sup>6</sup>:</b>	<b>189</b>
<p><sup>1</sup> 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 Power ("EP") and Replacement Power ("RP") produced at NYPA's Niagara Power Project that is 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 EP or RP customer.</p>		
<p><sup>2</sup> As defined by the Western New York Power Proceeds Allocation Act, a minimum of 15% of Fund Benefits shall be dedicated to "energy-related projects, programs and services". 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.</p>		
<p><sup>3</sup> Funds awarded to applicants to the Fund who are recommended for an award by the WNYPPAB and approved by the NYPA Trustees are known as "Fund Benefits." Disbursement of Fund Benefits is subject to satisfaction of certain terms and conditions.</p>		
<p><sup>4</sup> Total Fund Benefits Available to Be Awarded is calculated as Total Funds Deposited minus the sum of Total Fund Benefits Awarded and Total Administrative Expenses Withdrawn.</p>		
<p><sup>5</sup> The NYPA Trustees may allocate EP or RP to eligible companies. Such customers may use the entire allocation, or such customers may "take down" only a portion of the allocation based on their needs at the time. EP and RP that is unallocated, or that is allocated but not taken down, is eligible to be used for WNYEDF "Net Earnings".</p>		
<p><sup>6</sup> Unutilized EP and RP consists of an estimate of both unallocated hydropower and allocated hydropower that has not been taken down by customers.</p>		



# Western NY Power Proceeds Allocation Board

## WNYEDF Awards by County <sup>7</sup>

WNYPPAB Recommenda (All)

County	Company	WNYPPAB Approval
Erie	425 Michigan Ave, LLC	\$500,000
	Coolture	\$210,000
	Eden Valley Growers	\$80,000
	Field & Fork Network	\$166,912
	Ford Motor Company	\$1,000,000
	Forest Lawn Heritage Foundation	\$150,000
	Innomotive Solutions Group LLC	\$150,000
	Launch NY	\$5,418,000
	Living Green Insulation Products and Services, LLC	\$165,570
	Michigan Street African American Heritage Corridor Commission, Inc.	\$250,000
	Nexus Natural Gas LLC	\$570,000
	OSC Manufacturing & Equipment Services, Inc.	\$750,000
	PLS III LLC dba We Care Transportation Services	\$1,000,000
	Visit Buffalo Niagara	\$250,000
	43North LLC	\$6,000,000
	Explore and More...A Childrens Museum	\$1,700,000
	Amos Zittel & Sons	\$380,000
	D'Youville College	\$400,000
	Martin House Restoration Corporation	\$700,000
	General Mills	\$500,000
	Buffalo Arts and Technology Center	\$380,000
	43 North LLC (II)	\$6,000,000
	43North LLC (II)	\$2,000,000
	CL New Co., Inc. dba Campus Labs	\$400,000
	Invest Buffalo Niagara	\$65,836
	PostProcess Technologies, LLC	\$90,000
Triad Recycling and Energy Corp.	\$150,000	
<b>Erie Total</b>		<b>\$29,426,318</b>
Genesee	Yancy's Fancy, Inc.	\$500,000
<b>Genesee Total</b>		<b>\$500,000</b>
Niagara	Aquarium of Niagara	\$1,750,000
	Diversified Manufacturing, Inc.	\$450,000
	Global Outreach Mission, Inc.	\$102,829
	Niagara University	\$250,000
	Washington Mills	\$140,000
	NFIA Stakeholders Group, Inc.	\$24,750
	The WNY Women's Foundation, Inc.	\$100,000
	Cambria Asphalt Products	\$72,750
	Borderworx Logistics, LLC	\$285,000
	Tulip Manufacturing	\$1,000,000
	Niagara University (II)	\$500,000
	NFIA Stakeholders Group, Inc. (II)	\$90,000
	Platters Chocolates	\$200,000
	Niagara Falls National Heritage Area	\$200,000
	Moog, Inc.	\$1,600,000
	Historic Palace, Inc.	\$142,000
<b>Niagara Total</b>		<b>\$6,907,329</b>
Orleans	Quorum Group LLC dba Takeform Architectural Graphics	\$150,000
<b>Orleans Total</b>		<b>\$150,000</b>
<b>Grand Total</b>		<b>\$36,983,647</b>

<sup>7</sup> The companies in this list are the applicants to the Fund whose proposed projects were recommended for an award of Fund Benefits by the WNYPPAB.

<sup>8</sup> The "Energy Projects (\$)" amount represents the estimated portion of each award that the WNYPPAB considers to be an "energy-related project" as defined by the Western New York Power Proceeds Allocation Act and in accordance with EDL § 189-a(6) (see footnote 2 above for more detail).

Member Elsenbeck inquired if the solitary contribution to the fund would be the interest on the





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fund balance. Mr. Smith advised that they were unable to sell power into the marketplace to generate earnings, however; there are deposits which are forthcoming.

Member Brennan thanked Mr. Smith for the report.



## Western NY Power Proceeds Allocation Board

#### 4. Award of Fund Benefits from the Western New York Economic Development Fund – Round 22

Richard Smith, Director Business & Project Development, 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 an award of Fund Benefits be made to Hauptman-Woodward Medical Research Institute, Inc. (“HWI”). The applicant’s project and the amount of the award being recommended are discussed in Exhibits “A” and “A-1”.*

##### *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.*



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*Fund Benefits have been provided to successful eligible applicants in the form of grants. It is anticipated that Fund Benefits will be disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project, or for proposed eligible expenditures to be incurred by the eligible applicant for an eligible project when NYPA has authorized advance disbursements.*

*At least 15% percent of the Fund is dedicated to eligible projects which are “energy-related projects, programs and services,” which is defined as “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 “B” to this memorandum.*

*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.”*

### 3. Application Process

*Initially, the Allocation Board established a series of application due dates coupled with a schedule of dates the Board expected to meet to consider applications. The program was initially 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, ESD and local and regional economic development organizations within the State. A webpage was created that is hosted on [WWW.NYPA.GOV/WNYPPAB](http://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*



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office. As the program is now well-known, a rolling application process is used and the Allocation Board meets regularly to consider applications for Fund Benefits.

### DISCUSSION AND RECOMMENDATIONS TO THE BOARD

In this twenty second round, the Allocation Board has before it one application that has been made available to the Board for review. Staff analyzed the application and is now making recommendations to the Board.

As detailed in Exhibit "A-1", the HWI application seeks Fund Benefits to establish the Center for Therapeutic Interactions, which would include the installation of cutting edge drug discovery research instruments, building modifications, infrastructure required to support new machinery and equipment, and other miscellaneous project items. HWI would spend approximately \$4,997,000 on its project. Included as part of the project is the installation of an onsite battery that will be integrated into the building automation system and used to shave peak electric demand and reduce energy costs.

Based on a review of this application and consideration of relevant Program Criteria, Staff recommends that the Allocation Board recommend to the NYPA Trustees that this applicant receive an award of Fund Benefits in the amount indicated on Exhibits "A" and "A-1" to support HWI's project, specifically the purchase and installation of the battery and other equipment and help fund other project costs. NYPA would be able to access the component of the Fund reserved by statute for energy-related projects, programs and services for that portion of the award aimed at the cost of the battery.

To the extent this application proposes a project that must receive approval and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before the project may proceed, Staff recommends that any affirmative recommendation by the Board for such a project not be forwarded to the NYPA Board of Trustees 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 the Board in the event that such approvals and/or legal requirements are not satisfied.

### 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 recommendations or to award Fund Benefits in different amounts 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 project identified in Exhibit "A-1" Staff is not in a position to recommend proposed definitive terms and conditions that should be included in any Board recommendation for an award, but Exhibit "A-1" offers general considerations relating to disbursement of fund benefits for NYPA's consideration. It is anticipated that NYPA staff, in consultation with Board Staff, would negotiate final terms and conditions if an award is made after the receipt of more detailed information concerning the project.

### RECOMMENDATION



## Western NY Power Proceeds Allocation Board

*Based on the foregoing discussion and information, Staff recommends that the Allocation Board recommend to the NYPA Board of Trustees that the applicant listed in Exhibit "A-1" receive an award of Fund Benefits in the amount recommended in the Exhibit for the project proposed.*

*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."*

### 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") make an award of Fund Benefits to the applicant listed in Exhibits "A" and "A-1" in the amount recommended therein, for the reasons set forth in the attached memorandum and any attachments thereto; provided that (i) if an application proposes a project that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before it may proceed, the recommendation for such application shall not be forwarded to NYPA until Staff, on behalf of the Board, receives appropriate notification that such legal approvals and/or requirements which are necessary for the project(s) 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 Staff is authorized on behalf of the Allocation Board to transmit the Board's decision and recommendations to NYPA subject to the qualification stated above regarding legal approvals and/or requirements, and to do any and all things and take any and all actions to effectuate the Board's decision and the foregoing resolution."*

**a. Recommendation for Hauptman-Woodward Medical Research Institute, Inc. (HWI)**

Mr. Smith said that staff recommends an award of fund benefits be given to Hauptman-Woodward Medical Research Institute, Inc., (HWI) in the amount of \$1,000,000, to establish a therapeutic center.

Located in Buffalo, New York, HWI is a not-for-profit organization and independent research institute, providing biomedical research to promote a greater understanding of disease, through the study of related proteins and the use of award-winning mathematics.

The center will feature a front line biomedical approach, referred to as Cryogenic Electron Microscopy (cryo-EM), which enables researchers to observe how molecules move and interact. This new technology will facilitate pharmaceutical design success rates up to 80 percent, and substantially reduce the discovery



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and development period.

If HWI is granted the award benefits, they will be the second site in the world offering cryo-EM resources, such as specialty microscopes and electro-magnetic shielding. Their building infrastructure enhancements would include a prototype battery to be integrated into the building's automation system, which will reduce energy usage and costs, and provide a more eco-friendly alternative to electric energy.

There are various notable pharmaceutical corporations established in the Toronto area, and the HWI center in Buffalo would provide a much more convenient location to set up research hubs and gain access to cryo-EM resources. The center would also host training for both national and international guests.

This project will grow the Western New York health sector, to accelerate drug development in the Niagara-Finger Lakes region, support job creation and STEM – related economic opportunities, by recruiting scientists and students from under-represented populations.

Member McDuffie asked Mr. Snell (HWI) to highlight their diverse workforce. Mr. Snell shared various initiatives including the National Science Foundation Program, which encourages minorities to pursue fields in science; as well as a regional mentoring program which has been extended to a multitude of schools in the Buffalo area. Further, there are four women scientists who have recently joined their team, offered Mr. Snell.

Upon motion made by member McDuffie and seconded by member Brown, the Board adopted the resolution to award fund benefits to Hauptman-Woodward Medical Research Institute, Inc., (HWI) in the amount of \$1,000,000. (Exhibit "A")



## Western NY Power Proceeds Allocation Board

### 5. Adoption of the 2019 Proposed Schedule of Meetings

Upon motion made by member Eisenbeck and seconded by member McDuffie, the Board adopted the following 2019 meeting schedule:

Wednesday, February 4 at 3pm at NYPA Buffalo Office

Wednesday, April 3 at 3 pm at NYPA Niagara Power Vista

Wednesday, June 5 at 3pm at NYPA Buffalo Office

Wednesday, August 7 at 3pm at NYPA Niagara Power Vista

Wednesday, October 2 at 3pm at NYPA Buffalo Office



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### 6. Next meeting and Adjournment

Member Brennen stated that the next meeting of the Board is scheduled for Wednesday, April 3 at 3:00 p.m. at the New York State Power Authority's Niagara Power Project Visitor's Center.

Upon motion, duly made and seconded, the meeting was adjourned at 3:18 p.m.





# Western NY Power Proceeds Allocation Board

## EXHIBIT A-1

Applicant Name:	Hauptman-Woodward Medical Research Institute, Inc. ("HWI")	REDC Region:	Western New York
Project Type:	Innovation/Entrepreneur	County:	Erie
Industry:	Medical Research & Development	Locality:	Buffalo
Amount Requested:	\$1,000,000	Start Date:	January 1, 2019
		Finish Date:	December 31, 2019
<b>RECOMMENDED OFFER</b>			
Recommended Total Award:	\$1,000,000		
Total Project Cost:	\$4,997,408		
% of Project Cost Recommended:	20%		
<b>PROJECT BUDGET (Proposed by Applicant)</b>			
<b>Use of funds</b>	<b>Amount</b>	<b>Source of Funds</b>	<b>Amount</b>
CE Microscope/Sample Prep Tools \$2,446,183		WNY EDF <b>Committed:</b>	\$1,000,000
Salaries & Wages \$659,725		ESD CFA	\$1,200,000
Battery Support System & Eng. \$609,000		HWI (Equity)	\$560,000
Building Infrastructure \$503,000		Margaret Wendt Foundation	\$450,000
Working Capital \$310,000		James Cummings Foundation	\$300,000
Supplies & Materials \$205,000		M&T Foundation	\$200,000
Architectural Renderings \$120,000		Seymour Knox Foundation	\$60,000
Furniture & Fixtures \$114,500		Peter Cornell Trust	\$5,000
Demolition (Space Retrofit) \$30,000		<b>Potential:</b>	
		John Oshei Foundation	\$1,000,000
		Key Bank Foundation	\$200,000
		Montgomery Family Foundation	\$25,000
		Patrick Lee Foundation	\$25,000
		Less: Allowance for Request Rejection	(\$27,592)
<b>Total:</b> <b>\$4,997,408</b>		<b>Total:</b>	<b>\$4,997,408</b>
<b>REGIONAL IMPACT MEASUREMENTS</b>			
Job Commitments:	The Funding Track under which the application was submitted does not require job-related impact.		
Average Salary of Jobs:			
Indirect Jobs Created			
Other Impact			



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EXHIBIT A-  
1

<b>PROJECT DESCRIPTION (Adapted from Application)</b>		
HWI seeks to establish a Center for Therapeutic Interactions at its current location that will offer Cryo-electron microscopy based research (“Cryo-EM”) and a unique related suite of complimentary services. Cryo-EM is a cutting-edge biomedical method that enables researchers to investigate molecules using an approach that greatly enhances the successful research of potential drug targets. The project also includes installation of an on-site, lithium ion battery that will be used to reduce electricity costs and divert its production from a diesel generator.		
<b>OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED</b>		
ESD:	\$1,200,000 CFA Grant	
Economic Dev. Loan:		Other:
<b>PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED</b>		
<b>TYPE</b>	<b>AMOUNT</b>	<b>STATUS</b>
N/A	\$	
<b>BASIS FOR RECOMMENDATION</b>		
<p>HWI has a long history in WNY and excellent reputation in the field of medical research that is predicated upon Nobel award winning research methods. Bringing to Buffalo instruments that offer leading edge research proven to increase drug discovery success rates from ~20% to 80% and accelerate discovery time from decades to, at times, less than 18 months, will increase the region’s national and global presence among major pharmaceutical companies and research firms and foster entrepreneurship. The proposed facility would be one of only two in the world to provide the full range of Cryo-EM based services needed to both prepare experiments and analyze results.</p> <p>The project also supports:</p> <ul style="list-style-type: none"> <li>• Development on the Buffalo Niagara Medical Campus, which is located in one of three "Strategic Investment Corridors" identified in Buffalo's Comprehensive Plan;</li> <li>• Job creation in WNY’s healthcare sector, which represents 11% of the region’s economy;</li> <li>• A unique approach to energy delivery that would use storage to create a cleaner, more resilient energy infrastructure resulting in cost savings and less burden on the current electric assets;</li> <li>• Facilities that would serve the recently established Empire Discovery Institute (U of R, UB, Roswell) collaboration to accelerate drug development in the Niagara/Finger Lakes region;</li> <li>• An organization with a history of providing access to higher education, STEM based economic opportunities to underrepresented groups.</li> </ul> <p>The initiative was identified as a 2018 priority project for WNYREDC and as such, aligns well with regional strategies and priorities.</p>		



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## EXHIBIT A-1

HWI has a long history in WNY and excellent reputation in the field of medical research that is predicated upon Nobel award winning research methods. Bringing to Buffalo instruments that offer leading edge research proven to increase drug discovery success rates from ~20% to 80% and accelerate discovery time from decades to, at times, less than 18 months, will increase the region's national and global presence among major pharmaceutical companies and research firms and foster entrepreneurship. The proposed facility would be one of only two in the world to provide the full range of Cryo-EM based services needed to both prepare experiments and analyze results.

The project also supports:

- Development on the Buffalo Niagara Medical Campus, which is located in one of three "Strategic Investment Corridors" identified in Buffalo's Comprehensive Plan;
- Job creation in WNY's healthcare sector, which represents 11% of the region's economy;
- A unique approach to energy delivery that would use storage to create a cleaner, more resilient energy infrastructure resulting in cost savings and less burden on the current electric assets;
- Facilities that would serve the recently established Empire Discovery Institute (U of R, UB, Roswell) collaboration to accelerate drug development in the Niagara/Finger Lakes region;
- An organization with a history of providing access to higher education, STEM based economic opportunities to underrepresented groups.

The initiative was identified as a 2018 priority project for WNYREDC and as such, aligns well with regional strategies and priorities.

### **ANTICIPATED DISBURSEMENT TERMS**

Fund Benefits would be used to reimburse the applicant for a portion of costs associated with the battery, machinery and equipment purchases and some other project costs. It is anticipated that funds will be disbursed in arrears upon project completion. Payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately \$4.997M.



# Western NY Power Proceeds Allocation Board

## EXHIBIT B

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 startups 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



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planning to create transportation and logistical infrastructure; improve 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.

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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.

- 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.



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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.
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.