

***ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD***

MINUTES

March 20, 2003

Video Conference – 10:30 a.m.

30 South Pearl Street, 10th Floor, Albany, NY

123 Main Street, 17th Floor, White Plains, NY

Univisions – 107 Twin Oaks Drive, Syracuse, NY

1. Approval of the Minutes of the Meeting of February 25, 2003

APPLICATIONS FOR POWER FOR JOBS POWER

2. **Con Edison – Service Territory**

American Indian Community House, Inc.
New York – New York County

Comco Plastics, Inc.
Woodhaven – Queens County

Coney Island USA
Brooklyn – Kings County

Orazio & Sons Meats
Brooklyn – Kings County

Ruby Freeman, Inc.
Brooklyn – Kings County

The New 42nd Street
New York – New York County

The Writers Room
New York – New York County

3. **Niagara Mohawk – Service Territory**

BOC Edwards Pharmaceutical Systems
Tonawanda – Erie County

Curtis Screw
Buffalo – Erie County

4. **Rochester Gas & Electric Company – Service Territory**

Moorgood Tools, Inc.
Rochester – Monroe County

APPLICATIONS FOR POWER FOR JOBS POWER - NEW APPLICATIONS

5. **Con Edison – Service Territory**

AT&T Corporation
New York – New York County

Clay Park Labs, Inc.
Bronx – Bronx County

Diamond Ice Cube Company, Inc.
Bronx – Bronx County

6. **Long Island Power Authority Service Territory**

B.H. Aircraft Company, Inc.
Ronkonkoma – Suffolk County

Dayton T. Brown, Inc.
Bohemia – Suffolk County

7. **Niagara Mohawk – Service Territory**

Albany Institute of History and Art
Albany – Albany County

Crowley Foods, LLC
Lafargeville – Jefferson County

Ellis Hospital
Schenectady – Schenectady County

Fedco Automotive Components Co., Inc.
Buffalo – Erie County

Sabin Metal Corporation
Scottsville – Monroe County

Samaritan Medical Center
Watertown – Jefferson County

Sonoco Flexible Packaging
Fulton – Oswego County

The Ontario Knife Company
Franklinville – Cattaraugus County

OTHER BUSINESS

8. Transfer of Economic Development Power
9. Informational Item - Power for Jobs - Status of Approved Applications and Summary of Action on Applications
10. Informational Item – Economic Development Power - Status of Approved Applications and Summary of Action on Applications
11. Next Meeting

March 20, 2003

A regular meeting of the Economic Development Power Allocation Board was held via video conference at the following participating locations:

- 1) New York Power Authority, 30 South Pearl Street, 10th Floor, Board Room, Albany, New York, 12207
- 2) New York Power Authority 123 Main Street, 17th Floor Conference Room, New York, New York 10018
- 3) Univisions Communications Group, 107 Twin Oaks Drive, Syracuse, New York, 12306

The following Members of the Board were present at the following locations:

Louis P. Ciminelli, Chairman (New York)
H. Douglas Barclay, Member (Syracuse)
James A. Duncan, Member (Albany)

Kevin S. Corbett, Member (Excused from attendance)

Also in attendance were:

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|-----------------------|---|
| Eugene W. Zeltmann | President and Chief Executive Officer, NYPA |
| Louise M. Morman | Senior Vice President – Marketing & Economic Development, NYPA |
| James H. Yates | Vice President - Major Account Marketing and Economic Development, NYPA |
| Thomas Warmath | Vice President and Chief Risk Officer, NYPA |
| Joseph J. Carline | Assistant General Counsel – Power & Transmission, NYPA |
| Dennis Eccleston | Chief Information Officer |
| John B. Hamor | Director Inter-Governmental Relations, NYPA |
| James F. Pasquale | Manager – Business Power Allocations and Compliance, NYPA |
| Angela D. Graves | Acting Deputy Secretary, NYPA |
| Andrew J. McLaughlin | Assistant Secretary – Legal Affairs, NYPA |
| Andrea Phillips | Legislative Liaison, NYPA |
| Bonnie Fahey | Executive Assistant, NYPA |
| Theresa M. Barrett | Law Assistant, NYPA |
| Joseph P. Scotto | Senior Communications Engineer, NYPA |
| Nicolina Marchese | Communications Specialist II, NYPA |
| Michael Santarcangelo | Director – Energy Policy, Empire State Development Corp. |

1. Adoption of Minutes

The minutes of the meeting of February 25, 2003, were unanimously adopted.

2. **Consolidated Edison - Service Territory**

The members of the Board considered the seven re-allocations listed below for Power for Jobs. Mr. Pasquale explained that some 217 jobs would be impacted.

The following resolution was adopted by the Members of the Board present:

WHEREAS, the following entities in Consolidated Edison's service territory have re-applied for allocations of Power for Jobs service:

American Indian Community House, Inc.
New York – New York County

Comco Plastics, Inc.
Woodhaven – Queens County

Coney Island USA
Brooklyn – Kings County

Orazio & Sons Meats
Brooklyn – Kings County

Ruby Freeman, Inc.
Brooklyn – Kings County

The New 42nd Street
New York – New York County

The Writers Room
New York – New York County

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meets the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997, Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000; and Chapter 226 of the Laws of 2002, and would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the seven re-allocations discussed herein totaling 720 kW for Consolidated Edison's service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contract for Power for Jobs Service:

- **applicants to maintain a total of 217 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

3. **Niagara Mohawk - Service Territory**

The members of the Board considered the two re-allocations listed below for Power for Jobs. Mr. Pasquale explained that some 329 jobs would be impacted.

Following consideration of such applications, the Members of the Board voted to adopt the following resolution by a vote of two in favor and one abstention. Mr. Duncan abstained from voting on the proposed re-allocation to Curtis Screw. This application will be ratified at the April 22, 2003 meeting.

WHEREAS, the following entities in Niagara Mohawk's service territory have applied for allocations of Power for Jobs service:

**BOC Edwards Pharmaceutical Systems
Tonawanda – Erie County**

**Curtis Screw
Buffalo – Erie County**

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000; and Chapter 226 of the Laws of 2002, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board commends to the Power Authority of the State of New York the two re-allocations discussed herein totaling 650 kW for Niagara Mohawk's service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- **applicants to maintain a total of 329 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

4. **Rochester Gas & Electric - Service Territory**

The members of the Board considered the re-allocation listed below for Power for Jobs. Mr. Pasquale explained that some 69 jobs would be impacted.

The following resolution was unanimously adopted by the Members of the Board present:

WHEREAS, the following entity in RG&E's service territory have applied for allocations of Power for Jobs service:

**Moorgood Tools, Inc.
Rochester – Monroe County**

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000 and Chapter 226 of the Laws of 2002, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the re-allocation discussed herein totaling 200 kW for RG&E's service territory for two years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- applicant to maintain a total of 69 jobs;
- such allocation shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.

5. Con Edison - Service Territory

The Members of the Board considered the three applications for Power for Jobs (“PFJ”) submitted on behalf of the following companies in the Con Edison Service Territory.

AT&T Corporation (“AT&T”) – was incorporated in 1885 and provides voice, video and data communications to businesses, consumers and government. AT&T is under intense pressure as a company to cut costs. Costs that are not cut through energy cost reduction efforts need to be removed through lay-offs. A PFJ allocation will allow AT&T to maintain its headcount in the New York City area.

Clay Park Labs, Inc. (“Clay”) – is one of the largest manufacturers of generic topical pharmaceutical products, including finishing dosage liquids, creams suppositories, and ointments, in the US. Founded in 1975, and acquired by Agis Industries in 1983, Clay has operated continuously in the Bronx and is the largest private employer in the community. Clay’s principal customers include: Wal-Mart, CVS, Eckerd Drug, K-Mart and Rite Aid. A PFJ allocation will result in the retention of 470 full time jobs.

Diamond Ice Cube Company, Inc. (“Diamond Ice”) – was established in the 1970’s in the Bronx and is a family-owned corporation which manufactures ice products. A PFJ allocation will help Diamond Ice reduce its operating costs which will allow it to maintain lower prices and increase the overall demand for its products.

Following consideration of such applications, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, AT&T Corporation, Clay Park Labs, Inc. and Diamond Ice Cube Company, Inc., applied for allocation of Power for Jobs Service; and

WHEREAS, an allocation of 1,000 kW would result in a ratio of 137 jobs per MW for AT&T Corporation; an allocation of 1,000 kW would result in a ratio of 485 jobs per MW for Clay Park Labs, Inc.; an allocation of 75 kW would result in a ratio of 280 jobs per MW for Diamond Ice Cube Company, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York allocations totaling 2,075 kW for Consolidated Edison’s service territory for three years but no longer then December 31, 2005, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:

- applicant to maintain a total of 643 jobs;
- such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority’s standard form of contract for Power for Jobs Service.

6. Long Island Power Authority - Service Territory

The Members of the Board considered the applications for Power for Jobs (“PFJ”) submitted on behalf of the following companies in the Long Island Power Authority service territory.

B.H. Aircraft Company, Inc. (“B.H. Aircraft”) – is a manufacturer of critical rocket engine components and nose suppression hardware for the aircraft industry and was founded in 1933. A PFJ allocation will allow B.H. Aircraft to be competitive in the global market and retain current employment levels.

Dayton T. Brown, Inc. – incorporated in 1950, the company started from a 15,000 square foot facility and developed into a multi-divisional corporation occupying approximately 300,000 square feet on 32 acres in Bohemia, Long Island. The company has four divisions: Engineering and Testing; Technical Communications; Test Systems and Precision Sheet Metal Manufacturing. A PFJ allocation will help reduce its costs.

Following consideration of such applications, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, B.H. Aircraft Company, Inc. and Dayton T. Brown, Inc. have applied for allocations of Power for Jobs Service; and

WHEREAS, an allocation of 525 kW would result in a ratio of 204 jobs per MW for B.H. Aircraft Company, Inc.; an allocation of 1,000 kW would result in a ratio of 331 jobs per MW for Dayton T. Brown, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York allocations totaling 1,525 kW for Long Island Power Authority’s service territory for three years but no longer than December 31, 2005, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:

- **applicants to maintain a total of 438 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority’s standard form of contract for Power for Jobs Service.**

7. **Niagara Mohawk - Service Territory**

The Members of the Board considered the eight applications for Power for Jobs (“PFJ”) submitted on behalf of the following companies in the Niagara Mohawk service territory.

Albany Institute of History and Art – founded in 1791, the Institute is a museum dedicated to preserving, interpreting, and promoting interest in the art, history, and culture of Albany and the Upper Hudson Valley region from the 17th century to the present. A PFJ allocation will help the museum retain its current employment levels, continuing to service the Albany community.

Crowley Foods, LLC – is a leading east coast dairy manufacturer. The company operates sales divisions, manufacturing facilities, and distributes and market products in more than 24 states east of the Mississippi River. Its product categories include: fluid milk, frozen desserts, specialty dairy and non-dairy beverages. A PFJ allocation will help the company reduce costs, stay competitive, and also retain its average employment levels.

Ellis Hospital – is a not-for-profit entity. Its purpose is to improve the health and well-being of the region by providing the highest quality healthcare, disease prevention, and health education services in a cost-effective, efficient, and compassionate manner. A PFJ allocation will help the entity reduce its cost and permit funds to be directed to hospital program development.

Fedco Automotive Components Co., Inc. (“Fedco”) – is a manufacturer of copper/brass and aluminum heater cores for aftermarket and original equipment manufacturers. The company has operated at its current facility since 1910 under various ownerships and is in jeopardy of moving some of its operations out of New York. A PFJ allocation will allow Fedco to retain present employees, continue to operate in Western New York and stay competitive.

Sabin Metal Corporation (“Sabin”) – recovers and upgrades gold, silver, platinum, palladium, and rhodium from a variety of precious metal scrap. Sabin is an energy intensive facility with millions of dollars in energy cost each year. Its entire industry has suffered a terrible setback with no end in sight. A PFJ allocation will help Sabin reduce costs, get over this economic downturn, and keep its jobs in New York

Samaritan Medical Center (“SMC”) – is the leading medical health services provider in Jefferson, Lewis, St. Lawrence and Northern Oswego counties. SMC is a 319-bed acute care facility that provides a full array of medical, surgical and diagnostic services. A PFJ allocation will help SMC reduce its operating cost and stay competitive. The energy saving will help support job growth.

Sonoco Flexible Packaging (“Sonoco”) – founded in 1871 in Fulton, New York, Sonoco manufactures roto-gravure printed and unprinted flexible packaging used primarily for the confectionary market. A PFJ allocation will help Sonoco reduce costs, stay competitive, and retain its current employment levels.

The Ontario Knife Company (“Ontario Knife”) – founded in 1889, Ontario Knife manufactures and markets a broad range of high carbon and stainless steel cutlery products to many segments of the commercial and industrial markets. A PFJ allocation will reduce its operating cost and help it stay competitive. Without PFJ all jobs may be lost to another state. Lower power costs along with other monetary relief, will enable Ontario Knife to stay competitive; with increased revenue comes increased employment.

Following consideration of such applications, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, the Albany Institute of History and Art, Crowley Foods, LLC, Ellis Hospital, Fedco Automotive Components Co., Inc., Sabin Metal Corporation, Samaritan Medical Center, Sonoco Flexible Packaging and the Ontario Knife Company have applied for allocations of Power for Jobs Service; and

WHEREAS, an allocation of 150 kW would result in a ratio of 173 jobs per MW for the Albany Institute of History and Art; an allocation of 1,000 kW would result in a ratio of 153 jobs per MW for Crowley Foods, LLC; an allocation of 1,000 kW would result in a ratio of 1,228 jobs per MW for Ellis Hospital; an allocation of 400 kW would result in a ratio of 310 jobs per MW for Fedco Automotive Components Co. Inc.; an allocation of 1,000 kW would result in a ratio of 198 jobs per MW for Sabin Metal Corporation; an allocation of 600 kW would result in a ratio of 2,175 jobs per MW for Samaritan Medical Center; an allocation of 800 kW would result in a ratio of 154 jobs per MW for Sonoco Flexible Packaging; an allocation of 250 kW would result in a ratio of 228 jobs per MW for the Ontario Knife Company;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York allocations totaling 5,200 kW for Niagara Mohawk's service territory for three years but no longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- applicants to maintain a total of 3,214 jobs;
- such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.

8. Transfer of Economic Development Power

SUMMARY

The members of the Economic Development Power Allocation Board (“EDPAB”) are requested to approve the transfer of an Economic Development Power allocation between facilities of a recipient.

BACKGROUND

At its meeting on March 3, 1993, EDPAB recommended that Citibank, N.A. (“Citibank”) receive a 5,100 kW Economic Development Power allocation for its facility at 111 Wall Street in New York City. The New York Power Authority Trustees approved the allocation at their meeting of April 27, 1993. Citibank committed to retain 10,500 jobs in New York State in return for the allocation.

DISCUSSION

Citibank has requested that the allocation be transferred to their facility located at One Court Square in Long Island City, New York. Citibank had been underutilizing the allocation at 111 Wall Street. The transfer is intended to maximize the benefit of the entire allocation. Citibank will continue to commit 10,500 jobs in return for the allocation.

Section 186 of the Economic Development Law requires that transfers of economic development power between facilities of a recipient be approved by EDPAB.

RECOMMENDATION

It is recommended that the Economic Development Power Allocation Board approve the transfer of 5,100 kW of Economic Development Power from Citibank’s facility at 111 Wall Street, New York City to their facility at One Court Square in Long Island City, New York.

9. **Informational Item - Power for Jobs - Status of Approved Applications and Summary of Action on Applications**

10. **Informational Item – Economic Development Power - Status of Approved Applications and Summary of Action on Applications**

11. Next Meeting

It was determined that the next meeting of the Board would take place on April 22, 2003, at 10:00 a.m.

12. Closing

Upon motion duly made and seconded, the meeting was adjourned at 11:15 a.m.

March-03