

WESTERN NEW YORK POWER PROCEEDS ALLOCATION BOARD

MINUTES

**April 28, 2014 – 3:00 P.M.
Empire State Development Corporation
95 Perry Street
Buffalo, New York 14203**

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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 Elsenbeck

Brenda Williams McDuffie

Henry F. Wojtaszek

NYPA Staff Present:

Karen Delince Corporate Secretary (via video in White Plains)

John Giumarra Account Executive, Business Marketing & Economic
Development

Melinda Li Senior Attorney II (via video in White Plains)

Louis Paonessa Director Community Affairs, Western New York

Christopher Vitale Account Executive, Business Marketing & Economic
Development

ESDC Staff Present:

Richard Ball Project Manager

Christina Orsi 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 April 28, 2014 Agenda

The agenda for the April 28, 2014 meeting was unanimously adopted.

Conflicts of Interest

Member	Conflicts
Anthony Colucci	No Conflicts
Henry Wojtaszek	Niagara Falls International Airport Stakeholders Group, Inc. (Award)
Dennis Elsenbeck	Niagara Falls International Airport Stakeholders Group, Inc. (Award) Buffalo Niagara Enterprise (withdrawn)
Deanna Alterio Brennen	Niagara Falls International Airport Stakeholders Group, Inc. (Award)
Brenda Williams McDuffie	No Conflicts

2. **Adoption of February 3, 2014 Meeting Minutes**

Chairman Colucci asked whether there are any further amendments.

Upon motion made by member Brennen and seconded by member Wojtaszek, the February 3, 2014 meeting minutes were unanimously adopted.

3. Fund Balance Update

Mr. John Giumarra submitted the following report:

The Western New York Economic Development Fund is created and administered by the Authority. It is funded with the aggregate excess of revenues (“net earnings”) received by NYPA from the sale of Expansion and Replacement Power produced at the 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.

As of today, there is a total deposit to the Fund of \$36 million.

The most recent deposit was in the sum of over \$8 million.

The next quarterly deposit is expected to be in July 2014.

Fund benefits in the sum of \$1.8 million are recommended to the Board today.

To date, WNYPPAB has recommended a total benefit award of \$15 million.

At present, there is 41 MW of unallocated power and 49 MW allocated by unused hydropower. The total estimated unutilized EP and RP as of April 2014 is 90MW.

Under the law, a minimum of 15% of the funds must be awarded to “energy-related projects, programs and services.”

Chairman Colucci thanked Mr. Giumarra for the report.

In response to a member’s question, Mr. Giumarra said that to date, \$1.2 million has been paid out of the fund.

In response to a member’s question, Mr. Giumarra said that the funds will be transferred to an interest bearing account, which will be retroactive.

4. Round Six – 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 four applicants found in Exhibit “A”, Exhibit “B”, Exhibit “C”, and Exhibit “D” in the amounts indicated in each Exhibit.

The Board is also requested to find and determine that the applications listed in Exhibit “E” will not receive a recommendation for an award of Fund Benefits based upon the application of the relevant program criteria to such applications.

The Board is also requested to defer consideration of the applications listed in Exhibit “F” until a later time.

For the Board’s information, Exhibit “G” 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 “H”.

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 2014 on which dates the Board is 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 sixth round, the Board reviewed 12 applications collectively seeking more than \$8.1 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 sixth 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's Trustees that the four applications listed on Exhibit "A", Exhibit "B", Exhibit "C", and Exhibit "D" each receive an award of Fund Benefits in the amount indicated. Collectively, these applicants have indicated that the proposed projects would create or retain 328 jobs in Western New York. The total amount to be expended on the projects proposed by these applications is expected to exceed \$23 million.

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 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 the 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, 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 “E”.

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”.

4. Recommendation for Future Consideration

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

5. Other Applications

For the Board’s information, Exhibit “G” lists those applications that have been withdrawn by the applicant. 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 four projects identified on Exhibit “A”, Exhibit “B”, Exhibit “C” and Exhibit “D”, Staff is not in a position to recommend all the specific terms and conditions that might be included in the Board’s recommendations for awards. 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”, Exhibit “B”, Exhibit “C” and Exhibit “D”, receive an award of Fund Benefits in the amounts recommended in the Exhibits;*
- (2) Find and determine that the applications listed in Exhibit “E” will not receive a recommendation for an award of Fund Benefits;*
- (3) Defer consideration of the applications listed in Exhibit “F” for a later time.*
- (4) Acknowledge that the applications listed in Exhibit “G” have been withdrawn by the applicants.*

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

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”, Exhibit “B”, Exhibit “C” and Exhibit “D” in the amounts recommended therein, for the reasons set forth in the foregoing report and the attachments thereto, 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 “E” are not recommended for an award of Fund Benefits for the reasons set forth in the foregoing report and the attachments thereto; and be it further

RESOLVED, That the Allocation Board hereby finds and determines that the applications listed in Exhibit “F” will be deferred for consideration at a later time; and be it further

RESOLVED, That the Allocation Board hereby acknowledges that the applications listed in Exhibit “G” have been withdrawn by the applicants; 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.

a. Recommendations for Awards of Fund Benefits

Mr. Ball, ESDC’s Project Director, presented the allocation recommendations. He said staff recommends awards be given to the following four businesses in the total sum of \$1,845,000.

1. Innomotive Solutions Group LLC, Lancaster, NY, Erie County

Mr. Ball said that staff recommends an award of \$150,000 to Innomotive Solutions Group, LLC. The project is expected to create 28 new jobs with good entry level manufacturing salaries.

Innomotive Solutions Group will be purchasing a building in Lancaster which they will renovate and retrofit to accommodate the needs of their company. Innomotive will be hiring and training 28 new employees from the WNY Region. This project will also mark the company’s first step toward moving production from Canada to the U.S.

Innomotive Solutions has presented the WNYPPAB with a project budget totaling \$5,500,000. The recommendation to this Board is a grant in the amount of \$150,000 to be directed toward the purchase and installation of machinery and equipment. It is also recommended that the grant be payable upon confirmation of the purchase and installation of the machinery and equipment and confirmation of the total cost.

Upon motion made by member Elsenbeck and seconded by member McDuffie, the Board adopted the resolution regarding Innomotive Solutions Group LLC (Exhibit A).

2. Nexus Natural Gas LLC, Tonawanda, NY, Erie County

Mr. Ball said that staff recommends an award of \$570,000 to Nexus Natural Gas LLC. This project is expected to create 20 jobs.

Nexus Natural Gas LLC is an entity that was formed by seven different companies in the Town of Tonawanda for the purpose of transitioning into cleaner alternative fuels by building a CNG station for the exclusive use of this partnership while each of the seven companies begins the conversion of their vehicles to run on CNG.

This project will improve air quality in the Town of Tonawanda and Grand Island by decreasing emissions.

Nexus Natural Gas has presented the WNYPPAB with a project budget totaling \$2,845,000. The recommendation to this Board is a grant in the amount of \$570,000 to be directed toward the construction and installation of the CNG fueling station, which Nexus estimates will cost \$1,615,000. It is also recommended that the grant be payable upon completion of the CNG station and the conversion of 24 trucks across the seven partnered companies.

Upon motion made by member Brennen and seconded by member McDuffie the Board adopted the resolution regarding Nexus Natural Gas LLC (Exhibit B) 4 to 1, with member Elsenbeck voting against.

3. Niagara Falls International Airport Stakeholders Group, Inc., Niagara Falls, NY, Niagara County

Mr. Ball said that staff recommends an award of \$125,000 to Niagara Falls International Airport Stakeholders Group, Inc. The project is not expected to create new jobs.

The Niagara Falls International Airport Stakeholders Group is made up of different members of the Buffalo Niagara Region that share an interest in the expansion of air services in Niagara Falls as well as the long-term economic success of the greater Niagara Region. The purpose of this project is to perform a study of the existing dark fiber infrastructure that feeds into the Niagara Falls Air Reserve Station, the Niagara Falls International Airport, the former Army Reserve Center site, the Niagara Airport Commercial Park, the Wheatfield Business Park and the Calspan site. The results of this study will provide guidance to the Stakeholders on what, if any, gaps in coverage exist.

A grant of \$125,000 is recommended to the Niagara Falls International Airport Stakeholders Group, Inc. to provide one half of the financing needed to successfully perform this study. Due to the nature of the project it is recommended that the grant be paid to the Stakeholders group in advance of the start of the study but only upon confirmation that another funding entity has committed to a matching grant for the completion of the study.

Upon motion made by member McDuffie and seconded by Chairman Colucci, the motion regarding Niagara Falls International Airport Stakeholders Group, Inc. failed due to lack of a quorum, with members Wojtaszek, Brennen and Elsenbeck abstaining. (Exhibit C).

4. PLS III LLC dba We Care Transportation Services, Buffalo, NY, Erie County

Mr. Ball said that staff recommends an award of \$1,000,000 to PLS III LLC dba We Care Transportation Services. This project is expected to create 100 jobs.

We Care Transportation is one of the largest providers of transportation to the physically handicapped, the elderly and the ailing in Western New York. Aside from offering a much needed service to the Western New York Community they are also one of the largest employers of residents of the most distressed area in the City of Buffalo. In an effort to lower the cost of operating, We Care has designed a plan to switch to a CNG fleet of vehicles, retrofit their maintenance garage to accommodate those vehicles, and build a CNG filling station. We Care is requesting assistance to lower the project cost.

PLS III dba We Care Transportation has presented the WNYPPAB with a project budget totaling \$14,657,073. The recommendation is that this project be granted an incentive of \$1 million to assist the company with lowering the total project cost. This will create 100 new jobs in Western New York and assist patients, who rely on We Care to transport them to healthcare appointments. It is also recommended that this grant be paid upon the completion of this project and that the funds be directed toward the purchase and installation of machinery & equipment estimated to total \$1,951,220.

Member Elsenbeck expressed concern that the Proceeds Board was funding human services. He thought We Care should have sought funding from NYSERDA.

Upon motion made by member Wojtaszek and seconded by member McDuffie the Board adopted the resolution regarding PLS III LLC dba We Care Transportation Services (Exhibit D) 4 to 1, with member Elsenbeck voting against.

b. Recommendations for No Award

Mr. Ball said that staff recommends that no award allocations be made on the following applications:

1. Buffalo Syngas LLC.

Buffalo Syngas LLC requested \$1,000,000; however, unless this applicant provides an updated application which shows a significant reduction in their current budget gap, a recommendation for funding cannot be made at this time.

2. Humble Pie Group, LLC.

Humble Pie Group, LLC requested \$1,400,000; however they have discontinued their effort to secure the debt financing required to move this project forward.

3. Triad Recycling and Energy Inc.

This applicant requested \$360,000; however, they received an EIP grant toward a project that is almost identical to the project described in the WNYPPAB application. It is recommended that no award be given to this project from this fund at this time.

Upon motion made by member Brennen and seconded by member McDuffie, the Board adopted the resolution not to recommend awards to the companies listed in Exhibit E.

c. Recommendation for Future Consideration

Mr. Ball said after preliminary review of the following applications it has been determined that recommendations should not be made until each applicant's project has received a more in depth analysis, which will include an investigation into all potentially appropriate State funding sources that might assist in financing each of these projects.

1. **City Labs, Inc. A Florida Corporation**
2. **Riviera Theatre and Organ Preservation Society Inc.**

Upon motion made by member McDuffie and seconded by member Elsenbeck, the resolution to defer the applications listed in Exhibit F was adopted.

d. Withdrawn Applications

Mr. Ball stated that the following applications, listed in Exhibit G, were voluntarily withdrawn from consideration:

1. Buffalo Niagara Enterprise
2. Entecco LLC
3. Greater Buffalo United Accountable Healthcare Network, MSO, LLC (GBUAHN)
4. Trek Industries
5. Niagara Label Company, Inc.

Mr. Ball noted that Niagara Label Company, Inc. had been previously approved by the New York Power Authority's Board for an award but the applicant subsequently withdrew its application.

5. Next Meeting and Adjournment

Chairman Colucci said the next meeting of the Board is scheduled for June 23rd at 3:00 p.m. at the Niagara Power Vista, Lewiston, New York.

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

APRIL 28, 2014

WESTERN NY

POWER PROCEEDS ALLOCATION

BOARD

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

Recommended Award: Exhibit "A"

Applicant Name:	Innomotive Solutions Group LLC d/b/a Whiting Group of Canada	REDC Region:	Western New York
Project Type:	Business Investment	County:	Erie
Industry:	Manufacturing	Locality:	Lancaster
Amount Requested:	\$150,000	Start Date:	7/1/2014
		Finish Date:	3/1/2015
RECOMMENDED OFFER			
Recommended Total Award:	\$150,000		
Total Project Cost:	\$5,500,000		
% of Project Cost Recommended:	2.7%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	0		
Number of Jobs Created:	28		
Average Salary of Jobs:	\$28,571		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>Innomotive Solutions Group will be purchasing a building in Lancaster which they will renovate and retrofit to accommodate the needs of their company. The project location will house the manufacturing and finishing of roll away doors built specifically to meet the specifications of emergency vehicles. Innomotive will be hiring and training 28 new employees from the WNY Region to meet its current U.S. market demand. This project will also mark the company's first step toward moving additional production from Canada to the U.S.</p>			
BASIS FOR RECOMMENDATION			
<p>This project demonstrates how the WNY business community can attract companies from other regions. Innomotive Solutions is a subsidiary of the Whiting Group of Canada; a company that has been researching the benefits of moving their operations from Canada to the U.S. for some time. Lancaster will now host the first phase of the company's transition and in turn, 28 new jobs with good entry level manufacturing salaries will come to the Town.</p> <p>Innomotive Solutions has presented the WNYPPAB with a project budget totaling \$5,500,000. The recommendation to this Board is to incentivize this project with a grant in the amount of \$150,000 to be directed toward the purchase and installation of machinery and equipment which Innomotive estimates will cost \$3,360,000. It is also recommended that the grant be payable upon confirmation of the purchase and installation of the machinery and equipment and confirmation of the total cost.</p>			

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

Recommended: Exhibit "B"

Applicant Name:	Nexus Natural Gas, LLC	REDC Region:	WNY
Project Type:	Construction of CNG Station and Truck Conversion	County:	Erie
Industry:	Multiple Industry Sectors	Locality:	Tonawanda
Amount Requested:	\$570,000	Start Date:	6/1/2014
		Finish Date:	1/1/2015
RECOMMENDED OFFER			
Recommended Total Award:	\$570,000		
Total Project Cost:	\$2,800,000		
% of Project Cost Recommended:	20%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	N/A		
Number of Jobs Created:	N/A		
Average Salary of Jobs:	\$30,000		
Indirect Jobs Created or Retained	20 created and 106 retained across 7 companies		
Other Impact			
PROJECT DESCRIPTION			
Nexus Natural Gas, LLC is an entity that was formed by seven different companies in the Town of Tonawanda that share the common goal of transitioning into cleaner alternative fuels that will ultimately lower operating costs and create economic growth. This project represents the effort of those seven companies to achieve the stated goal by building a CNG station for the exclusive use of this partnership while each of the seven companies begins the conversion of their vehicles to run on CNG.			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD:	\$	NYPA:	\$
IDA:	\$	Other:	\$
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	
BASIS FOR RECOMMENDATION			

This project will go a very long way in decreasing emissions and improving air quality in the Town of Tonawanda and Grand Island as well as everywhere these vehicles travel throughout the State. The additional economic benefit to this project is that it will allow these seven companies to reduce their operating costs and expedite their future growth.

Nexus Natural Gas has presented the WNYPPAB with a project budget totaling \$2,845,000. The recommendation to this Board is to incentivize this project with a grant in the amount of \$570,000 to be directed toward the construction and installation of the CNG fueling station, which Nexus estimates will cost \$2,065,000. It is also recommended that the grant be payable upon completion of the CNG station and the conversion of 24 trucks across the seven partnered companies. It is anticipated that no funding would be provided for vehicles or vehicle upgrades.

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

Recommended Award: Exhibit "C"

Applicant Name:	NFIA Stakeholders Group, Inc.	REDC Region:	WNY
Project Type:	Dark Fiber Assessment	County:	Niagara
Industry:	Multiple Industry Sectors	Locality:	Niagara Falls
Amount Requested:	\$250,000	Start Date:	6/1/2014
		Finish Date:	1/31/2015
RECOMMENDED OFFER			
Recommended Total Award:		\$125,000	
Total Project Cost:		\$250,000	
% of Project Cost Recommended:		50%	
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>The NFIA (Niagara Falls International Airport) Stakeholders Group is made up of different members of the Buffalo Niagara Region that share an interest in the expansion of air services in Niagara Falls and the long-term economic success of the greater Niagara Region. The purpose of this project is to perform a study of the existing dark fiber infrastructure that feeds into the Niagara Falls Air Reserve Station, the Niagara Falls International Airport, the former Army Reserve Center site, the Niagara Airport Commercial Park, the Wheatfield Business Park and the Calspan site. The Stakeholders Group has identified dark fiber capacity as being a key feature for the long-term economic development of the above stated sites. The results of this study will provide guidance to the Stakeholders on what, if any, gaps in coverage exist and allow them to add capacity to ensure that all of the named sites remain stable and are able to accommodate future growth.</p>			
BASIS FOR RECOMMENDATION			
<p>The sites involved in this study make up the largest employment base in Niagara County. Securing the future of each of these sites is paramount to the long-term economic success of the entire Buffalo Niagara Region.</p> <p>The Niagara Falls Air Reserve Center currently employs over 3,000 people in Niagara County and, due to the changing nature of military missions, the base must constantly upgrade its own technological infrastructure to attract more advanced missions. This study will provide a much needed assessment to the airbase and give them an understanding of where upgrades are needed to secure its future.</p> <p>The Niagara Falls International Airport is very important to regional efforts surrounding tourism. This study of dark fiber capacity will also lend itself to the future success of the airport. As the airport markets itself to prospective carriers the capabilities of the existing fiber infrastructure will be called</p>			

into question. This study will give the Airport a clear sense of what the current capability is and it will identify places where improvements must be made to accommodate a certain customer base.

As technology has evolved so has the need to meet certain thresholds when it comes to fiber infrastructure. The above named sites are of the highest priority to Niagara County and the Greater Buffalo Niagara Region. To ensure the future of all of these sites and the economic future of the WNY Region this study must be done in the near term.

It is the recommendation to this Board that it recommend a grant of \$125,000 to the NFIA Stakeholders Group, Inc. to provide one half of the financing needed to successfully perform this study. Due to the nature of the project it is recommended that the grant be paid to the Stakeholders group in advance of the start of the study but upon confirmation that another funding entity has, or other funding entities have, committed to a matching grant for the completion of the study.

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

Recommended Award: Exhibit "D"

Applicant Name:	PLSIII LLC dba We Care Transportation	REDC Region:	WNY
Project Type:	Business Investment	County:	Erie
Industry:	Para-Transit	Locality:	Buffalo
Amount Requested:	\$2,994,000	Start Date:	7/1/2014
		Finish Date:	3/15/2015
RECOMMENDED OFFER			
Recommended Total Award:	\$1,000,000		
Total Project Cost:	\$14,970,000		
% of Project Cost Recommended:	7%		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	200		
Number of Jobs Created:	100		
Average Salary of Jobs:	\$30,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>We Care Transportation is one of the largest providers of transportation to the physically handicapped, the elderly and the ailing in Western New York. Aside from offering a much needed service to the Western New York Community, it is also one of the largest employers of residents of the most distressed area in the City of Buffalo. Faced with rising insurance and fuel costs, this company is seeking to lower its fuel costs in order to avoid dissolving the paratransit aspect of the company all together. In an effort to lower its operating costs, We Care has designed a plan to switch to a CNG fleet of vehicles, retrofit its maintenance garage to accommodate those vehicles and build a CNG filling station. We Care has the opportunity to respond to new RFP's that are looking to secure transportation services in parts of WNY where those services do not currently exist. If We Care can lower operational and fuel costs it will be able to preserve enough revenue to invest in expanding the their fleet to cover those underserved territories.</p>			
BASIS FOR RECOMMENDATION			
<p>We Care serves patients in Western New York that do not have the ability to transport themselves to and from healthcare appointments (especially Medicaid and Medicare patients). Without We Care, this already underserved population will be further impacted. The Western New York Economic Development Fund has an opportunity to assist in turning a massive negative for both the WNY economy and the community into a major positive economically (via 100 new jobs created), while at the same time preserving an important member of the business community.</p> <p>PLSIII aka We Care Transportation has presented the WNYPPAB with a project budget totaling \$14,657,073. The recommendation to the WNYPPAB is that this project be granted an incentive of \$1 million to assist the company with lowering the total project cost. It is also recommended that this grant be paid upon the completion of this project and that the funds be directed toward the</p>			

purchase and installation of machinery & equipment estimated to total \$1,951,220. It is anticipated that no funding would be provided for vehicles or vehicle upgrades.

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

Not Recommended: Exhibit "E"

Applicant Name:	Buffalo SynGas, LLC	REDC Region:	WNY
Project Type:	Infrastructure/Downtown Investment	County:	Erie
Industry:		Locality:	Cheektowaga
Amount Requested:	\$1,000,000	Start Date:	11/2013
		Finish Date:	7/2018
RECOMMENDED OFFER			
Recommended Total Award:	0		
Total Project Cost:	\$5,398,250		
% of Project Cost Recommended:	0		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	0		
Number of Jobs Created:	36		
Average Salary of Jobs:	35,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
Buffalo Syngas will be the first US demonstration of a highly effective process to turn organic waste to energy at near zero emissions. The plant will be located in Cheektowaga, NY and will turn waste, diverted from landfills, into a renewable synthetic gas using a proprietary low temperature gasification process. The resulting gas can be used to refuel CNG vehicles or can be injected in the natural gas pipeline infrastructure. Significant reductions of GHG emissions would be achieved.			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD:	\$	NYPA:	\$
IDA:	\$	Other:	\$
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	
BASIS FOR RECOMMENDATION			
A recommendation for funding cannot be made at this time as this application shows a significant budget gap. Staff will re-evaluate the project if applicant provides an updated application which shows a significant reduction in their current budget gap.			

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

Not Recommended: Exhibit "E"

Applicant Name:	Humble Pie Group, LLC	REDC Region:	WNY
Project Type:	Business Investment	County:	Erie
Industry:		Locality:	Buffalo
Amount Requested:	\$1,400,000	Start Date:	09/01/2013
		Finish Date:	06/01/2014
RECOMMENDED OFFER			
Recommended Total Award:	0		
Total Project Cost:	\$4,665,000		
% of Project Cost Recommended:	0		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	0		
Number of Jobs Created:	Undetermined		
Average Salary of Jobs:			
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>The Pie Mad expansion project is focused on the build out of manufacturing capability and capacity at the current Humble Pie / English Pork Pie Company office, retail store and factory located at 1216 South Park in South Buffalo. At the core foundation of the project is the purchase of a manufacturing line which will allow for the production of 600 pies per minute translating to over 250,000 pies an 8 hour shift, translating into the hiring of 183 people for newly created jobs.</p>			
BASIS FOR RECOMMENDATION			
<p>This applicant has discontinued their effort to secure the debt financing required to move this project forward.</p>			

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

Not Recommended: Exhibit "E"

Applicant Name:	Triad Recycling and Energy, Inc	REDC Region:	WNY
Project Type:	Business Investment	County:	Erie
Industry:		Locality:	Tonawanda
Amount Requested:	\$360,000	Start Date:	10/15/2013
		Finish Date:	12/1/2015
RECOMMENDED OFFER			
Recommended Total Award:	0		
Total Project Cost:	1,800,000		
% of Project Cost Recommended:	0		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	13		
Number of Jobs Created:	8		
Average Salary of Jobs:	25,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>1 – General C&D debris sorting – Triad employees sort recyclable materials from incoming “co-mingled” construction loads. The materials are then ground, screened, baled, packaged and sold into new markets. Sorting materials on the tipping floor is how facilities typically start until volumes increase to ~25 tons/hour. Sorting lines improve efficiency and recycle percentages and become cost justified when volumes grow beyond the 25 ton/hour rate. So as Triad volumes continue to grow, Triad plans to invest in a used sorting line to reduce solid waste going to landfills in WNY. Triad will work with DEC to increase our allowable permit volumes to ensure we can continue diverting more materials from landfills.</p> <p>2 – Asphalt roofing shingles – This early market continues to grow with NYS DEC and DOT support. However the paving and roofing seasons coincide. The HMA (hot mix asphalt) manufacturers purchase materials in the spring for use in the upcoming summer paving season. Therefore, Triad has learned we need to collect, sort, stockpile shingles in late summer/early fall and store for the winter to meet spring orders. Triad will purchase additional land and a free standing storage shelter as this market grows. NYS RAS specification requires all material to pass thru a ¼” screen. To keep up with our growing market we will purchase a larger screener that can process at 3x our current rate. Additionally, many WNY tear off roofs have multiple layers including cedar shake shingles. These wood shingles are unacceptable in HMA and currently are landfilled. The wood cedar shakes can’t be removed easily by hand as they are nailed together in a sandwich with layers of asphalt shingles. Triad will develop an automated sorting system so these tear-off roofing loads can be recycled in HMA rather than go to landfill.</p> <p>3 – Gypsum wallboard – Triad has developed a process and market for recycling unpainted, gray wallboard as a soil amendment and animal bedding. This market is growing nicely as we continue to scale up our product process. However painted gypsum wallboard must still be landfilled to avoid</p>			

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

contamination of paint (lead?). Lab testing has shown encouraging results for separating the paper and gypsum cleanly. Triad will purchase equipment and scale-up this new technology in a pilot line to confirm initial findings. Then samples of the crushed, screened gypsum will be analyzed to ensure no paint contamination. Triad will work with NY DEC to amend the BUD to include clean gypsum, further reducing the tons landfilled in WNY.

4 – Mattress/box spring – Triad has developed a disassembly method and solid markets for 90% of the components found in mattress and box springs. Several states have already prohibited mattresses from landfills and WNY also finds this a problem. Triad will invest in equipment, land and building to scale-up mattress recycling, including shredding, material handling and baling.

5 – Consumer recycle center – Trends indicate an increasing number of green consumers prefer to recycle their waste. We have studied DIY recycle centers in other states. Triad will construct a consumer drop off area for building materials, electronics, mattresses, etc. in a separate area where homeowners can “self-serve” to drop off materials.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

ESD: EIP Grant	\$330,000	NYPA:	\$
IDA:	\$	Other:	\$

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS

BASIS FOR RECOMMENDATION

This applicant received an EIP grant toward an almost identical project which the applicant has committed to undertake. The applicant does not need both projects, and there is no reason to provide additional assistance via a Fund Benefits award for the other project the applicant has already committed to undertake.

Western NY Power Proceeds Allocation Board

Exhibit "F"
April 28, 2014

Applications Deferred for Further Analysis

Line	Business	Classification
1	City Labs, Inc., A Florida Corporation	Deferred for further analysis
2	Riviera Theatre and Organ Preservation Society Inc.	Deferred for further analysis

Withdrawn Applications

Line	Business	Classification
1	Buffalo Niagara Enterprise	Withdrawn by applicant
2	Entecco LLC	Withdrawn by applicant
3	Greater Buffalo United Accountable Healthcare Network, MSO, LLC (GBUAHN)	Withdrawn by applicant
4	Trek Industries	Withdrawn by applicant
5	Niagara Label Company, Inc.	Approved by NYPA for an award but subsequently withdrawn by applicant

Western NY Power Proceeds Allocation Board

Exhibit H – Program Criteria

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.
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