

# **WESTERN NEW YORK POWER PROCEEDS ALLOCATION BOARD**

## **MINUTES**

**June 23, 2014 – 3:00 P.M.  
Power Vista Visitor's Center -  
Niagara Power Project  
Lewiston, New York**

### **Table of Contents**

<b><u>Subject</u></b>	<b><u>Page No.</u></b>
Opening Remarks	3
1. Adoption of the Proposed Meeting Agenda -Conflicts	4
2. Adoption of April 28, 2014 Meeting Minutes	5
3. Fund Balance Update	6
4. Round Seven - Award of Fund Benefits	7
5. Next Meeting and Adjournment	13

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

**Board Members Present:**

Anthony J. Colucci III (Chairman)

Deanna Alterio Brennen

Dennis Elsenbeck (*Excused*)

Brenda Williams McDuffie

Henry F. Wojtaszek (*participating from Albany*)

**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

Richard Smith           Business & Project Development Director

**ESDC Staff Present:**

Richard Ball             Project Manager

**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 Dennis Elsenbeck is excused from the meeting. He stated that this meeting of the Board had been duly noticed as required by the Open Meetings law.*

**1. Adoption of June 23, 2014 Agenda**

*The agenda for the June 23, 2014 meeting was unanimously adopted.*

**Conflicts of Interest**

<b>Member</b>	<b>Conflicts</b>
<b>Anthony Colucci</b>	No Conflicts
<b>Henry Wojtaszek</b>	Niagara Falls International Airport Stakeholders Group, Inc. (Award)
<b>Dennis Elsenbeck</b>	Absent from meeting
<b>Deanna Alterio Brennen</b>	No Conflicts
<b>Brenda Williams McDuffie</b>	No Conflicts

Member Brennen stated that at the last meeting she recused herself from participating in and voting on the Niagara Falls International Airport Stakeholders Group Application because she was under the impression that her position as a board member and the treasurer of the applying origination created an impermissible conflict of interest.

After reading the Board's conflict policy and consulting with the Board's counsel, she stated that she now feels comfortable voting on this application given that:

1. Niagara Falls International Airport Stakeholders Group is a non for profit
2. I am not compensated by the Niagara Falls International Airport Stakeholder Group and
3. I did not participate in the preparation of the application or vote on it.

2. **Adoption of April 28, 2014 Meeting Minutes**

Chairman Colucci asked whether there are any further amendments.

*Upon motion made by member McDuffie and seconded by member Brennen, the April 28, 2014 meeting minutes were unanimously adopted.*

### 3. Fund Balance Update

Mr. John Giumarra submitted the following report:

*Total Deposits to the Fund to Date: \$36,342,334*

*Interest Earned on Deposits: \$51,666*

*Total Administrative Expenses Withdrawn: \$0*

*Disbursements to Grantees: (\$1,411,294)*

***Current Fund Balance: \$34,982,706***

*Standard Projects: \$13,644,412*

*Energy Related Projects: \$2,975,570*

*Total Fund Benefits Awarded<sup>2</sup>: \$16,619,982*

***Total Fund Benefits Available to be awarded: \$18,362,724***

*Minimum Amount (15%) of the Fund Dedicated to Energy-Related Projects: \$5,451,350*

*Total Awards (8%) Made for Energy-Related Projects to Date (not including today):  
\$2,975,570*

***Fund Benefits Currently Available to be Awarded for Energy-Related Projects Only:  
\$2,475,780***

*Standard Projects: \$575,000*

*Energy-Related Projects or Project Components: \$50,000  
\$625,000*

*Estimated Unallocated EP and RP to Date (MW): 41*

*Estimated Allocated but Unused Hydropower to Date (MW)<sup>4</sup>: 48*

***Total Estimated Unutilized EP and RP to Date (MW)<sup>5</sup>: 89***

Chairman thanked Mr. Giumarra for the report.

Member McDuffie complimented staff on providing documents that were so well written and easy to comprehend.

#### **4. Round Seven – Award of Fund Benefits**

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

##### **SUMMARY**

*The Western New York Power Proceeds Allocation Board ("Allocation Board" or "Board") is requested to recommend to the Board of Trustees of the Power Authority of the State of New York ("NYPA" or "Authority") that awards of Fund Benefits be made to the two applicants found in Exhibit "A", and Exhibit "B", in the amounts indicated in each Exhibit.*

*For the Board's information, the application for Fund Benefits submitted by the Niagara Falls International Airport Stakeholders Group, Inc. ("NFIASG"), addressed in Exhibit "A," is again before the Board for consideration. That application was presented at the Board's previous meeting held on April 28, 2014, but could not be acted upon due to a lack of quorum as to that application.*

*The Board is also requested to defer the applications listed in Exhibit "C" for future consideration so that staff can have more time to evaluate them*

##### **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 “D”.*

*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 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 Seventh round, the Board reviewed five applications collectively seeking over \$6.4 million in Fund Benefits. Staff analyzed the applications and is now making recommendations to the Allocation Board on these applications.*

DISCUSSION AND RECOMMENDATIONS TO THE BOARD

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

1. Recommendations for Awards of Fund Benefits

*Based on a review of the applications and an application of relevant Program Criteria, Staff recommends that the Allocation Board recommend to NYPA Trustees that the two applications listed on Exhibit "A", and Exhibit "B" each receive an award of Fund Benefits in the amount indicated. Collectively, these applicants have indicated that the proposed projects would create or retain 1,400 jobs in Western New York. The total amount to be expended on the projects proposed by these applications is expected to exceed \$39M.*

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

2. Recommendation for Future Consideration

*The Board is also requested to defer the applications listed in Exhibit "C" for future consideration so that staff can have more time to evaluate them.*

PROJECT STATUS

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

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

RECOMMENDATION

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

*(1) Recommend to the NYPA Board of Trustees that each of the applicants listed in Exhibit "A", and Exhibit "B", receive an award of Fund Benefits in the amounts recommended in the Exhibits;*

*(2) Defer consideration of the applications listed in Exhibit "C" for a later time.*

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

**RESOLUTION**

***NOW THEREFORE BE IT RESOLVED, That the Western New York Power Proceeds Allocation Board ("Allocation Board") hereby recommends that the Power Authority of the State of New York ("NYPA") grant an award of Fund Benefits to the applicants listed in Exhibit "A" and Exhibit "B" in the amounts recommended therein, for the reasons set forth in the attached memorandum and 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 “C” will be deferred for consideration at a later time; and be it further***

***RESOLVED, That Staff is authorized on behalf of the Allocation Board to transmit the Board’s decision 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, ESCS’s Project Director, presented the allocation recommendations. He said staff recommends awards be given to the following 2 businesses.

**1. Niagara Falls International Airport “NFIA” Stakeholders Group, Inc.**

Mr. Ball said that staff recommends an award of \$125,000 to NFIA Stakeholders Group, Inc. of Niagara County. The total project is expected to cost \$250,000 and the group is seeking additional funding elsewhere.

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.

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 (1) another funding entity has committed to a matching grant for the completion of the study and (2) the data sought by the study is not otherwise available from New York State or other publicly available resources.

***Upon motion made by member Brennen and seconded by member McDuffie the Board adopted the resolution regarding Niagara Falls International Airport Stakeholders Group, Inc. (Exhibit A) 3 to 0, with member Wojtaszek abstaining.***

## **2. Praxair, Inc.**

Mr. Ball said that staff recommends an award of \$500,000 to Praxair, Inc. for a project estimated to cost \$38,775,000. The project is expected to create 22 new jobs and to retain 1354 jobs in Erie County.

Praxair is one of the largest employers in the Town of Tonawanda where the company operates a facility responsible for: Global Plant Engineering; Research and Development; North American Operations Communications; Global Plant Monitoring; Customer Demand Monitoring; and Fleet Dispatch and Back Office Support Functions. To continue the success of the Tonawanda facility and maintain the current growth trajectory, Praxair must complete a major facility upgrade. These upgrades are estimated to cost \$38,775,000, and will allow Praxair to keep pace with technological advancement while at the same time maintaining and growing the workforce in Tonawanda. This project is confirmation of Praxair's willingness to make a long term commitment to the WNY Region but other geographical locations continue to be considered.

It is the recommendation to the Board that it recommend a grant of Fund Benefits in the amount of \$500,000 to complete a comprehensive NYS incentive package that will secure the long-term future of Praxair in WNY. Due to the nature of this project and the incentives being offered by Empire State Development, it is recommended that this grant be paid out in 3 milestone payments (50%/25%/25%) coinciding with the milestone payments proposed by ESD for other project incentives.

*Upon motion made by member Brennen and seconded by member Wojtaszek, the Board adopted the resolution regarding Praxair, Inc.*

### **b. 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 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.
3. WNY Science & Technology Advanced Manufacturing Park

*Upon motion made by member Brennen and seconded by member Wojtaszek, the resolution to defer the applications listed in Exhibit C was adopted unanimously.*

**5. Next Meeting and Adjournment**

Chairman Colucci said the next meeting of the Board is scheduled for Monday, September 8, 2014 at 3:00 p.m. at the Empire State Development Corporation, Buffalo, New York.

*A motion to adjourn the meeting, made by member McDuffie and seconded by member Brennen, was entertained by the Chairman and unanimously adopted.*

# **EXHIBITS**

**FOR**

**June 23, 2014**

**WESTERN NY**

**POWER PROCEEDS ALLOCATION**

**BOARD**

# Western New York Economic Development Fund Update<sup>1</sup>

May-14

The Fund	
Total Deposits to the Fund to Date:	\$36,342,334
Interest Earned on Deposits:	\$51,666
Total Administrative Expenses Withdrawn:	\$0
Disbursements to Grantees:	(\$1,411,294)
<b>Current Fund Balance:</b>	<b>\$34,982,706</b>

Awards	
Standard Projects:	\$13,644,412
Energy Related Projects <sup>2</sup> :	\$2,975,570
Total Fund Benefits Awarded <sup>3</sup> :	\$16,619,982
<b>Total Fund Benefits Available to be awarded:</b>	<b>\$18,362,724</b>

Energy-Related Projects	
Minimum Amount (15%) of the Fund Dedicated to Energy-Related Projects:	\$5,451,350
Total Awards (8%) Made for Energy-Related Projects to Date (not including today):	\$2,975,570
<b>Fund Benefits Currently Available to be Awarded for Energy-Related Projects Only:</b>	<b>\$2,475,780</b>

Today's Recommendations	
Standard Projects:	\$575,000
Energy-Related Projects or Project Components:	\$50,000
<b>2 Total Recommendations Before the Board Today:</b>	<b>\$625,000</b>

Expansion Power ("EP") and Replacement Power ("RP") Summary	
Estimated Unallocated EP and RP to Date (MW):	41
Estimated Allocated but Unused Hydropower to Date (MW) <sup>4</sup> :	48
<b>Total Estimated Unutilized EP and RP to Date (MW)<sup>5</sup>:</b>	<b>89</b>

<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.

<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.

<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.

<sup>4</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 taken down, is eligible to be used for WNYEDF "Net Earnings".

<sup>5</sup> Unutilized EP and RP consists of an estimate of both unallocated hydropower and allocated hydropower that has not been taken down by customers.

## WNYEDF Awards by County

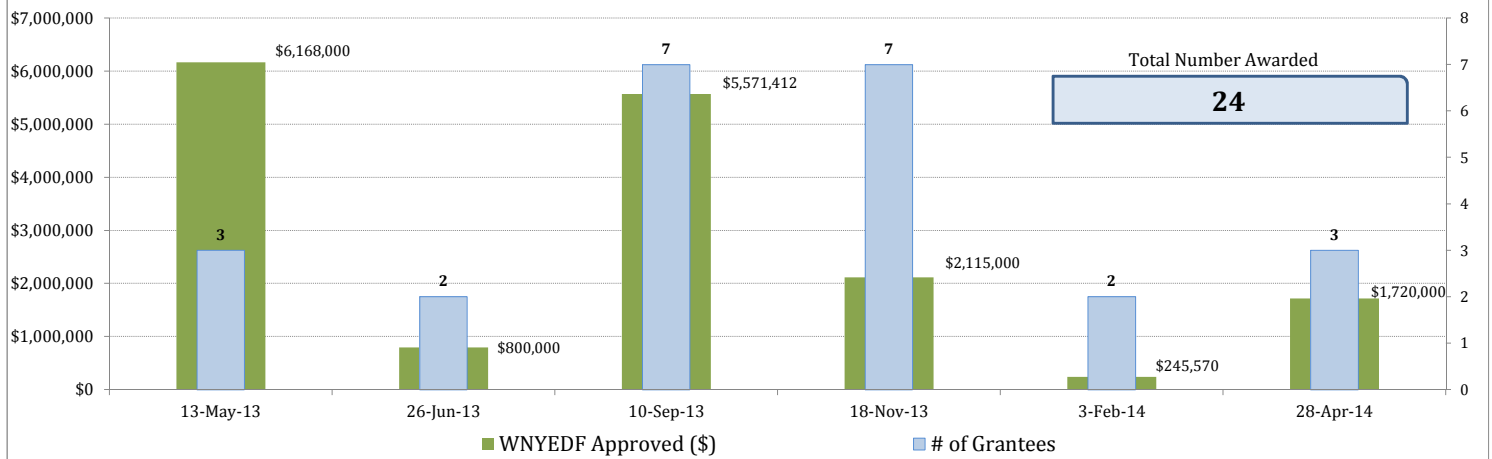
County	Company	Energy Projects (\$) *	WNYPPAB Approvals (\$)
<b>Erie</b>	425 Michigan Ave, LLC	\$0	\$500,000
	Alita Holdings, Inc.		\$2,000,000
	Coolture	\$0	\$300,000
	Eden Valley Growers	\$0	\$80,000
	Field & Fork Network	\$0	\$166,912
	Ford Motor Company	\$0	\$1,000,000
	Forest Lawn Heritage Foundation	\$0	\$150,000
	Innomotive Solutions Group LLC	\$0	\$150,000
	Launch NY	\$0	\$5,418,000
	Lineagen	\$0	\$250,000
	Living Green Insulation Products and Services, LLC	\$165,570	\$165,570
	Michigan Street African American Heritage Corridor Commission, Inc.	\$0	\$250,000
	Nexus Natural Gas LLC	\$570,000	\$570,000
	OSC Manufacturing & Equipment Services, Inc.	\$750,000	\$750,000
	PLS III LLC dba We Care Transportation Services	\$1,000,000	\$1,000,000
	Visit Buffalo Niagara	\$0	\$250,000
<b>Erie Total</b>		<b>\$2,485,570</b>	<b>\$13,000,482</b>
<b>Genesee</b>	Yancy's Fancy, Inc.	\$50,000	\$500,000
<b>Genesee Total</b>		<b>\$50,000</b>	<b>\$500,000</b>
<b>Niagara</b>	Aquarium of Niagara	\$0	\$1,750,000
	Ascension Industries, Inc.	\$300,000	\$300,000
	Diversified Manufacturing, Inc.	\$0	\$450,000
	Global Outreach Mission, Inc.	\$0	\$154,500
	Niagara University	\$0	\$250,000
	Washington Mills	\$140,000	\$140,000
<b>Niagara Total</b>		<b>\$440,000</b>	<b>\$3,044,500</b>
<b>Orleans</b>	CNC Technical Solutions, Inc. – Reclaim Center	\$0	\$75,000
<b>Orleans Total</b>		<b>\$0</b>	<b>\$75,000</b>
<b>Grand Total</b>		<b>\$2,975,570</b>	<b>\$16,619,982</b>

6 The companies in this list are the applicants to the Fund whose proposed projects were (i) recommended for an award of Fund Benefits by the WNYPPAB and (ii) awarded Fund Benefits by the NYPA Trustees. This list does not include applicants whose proposed projects received a recommendation for an award of Fund Benefits by the WNYPPAB but have not been considered yet by the NYPA Trustees for various reasons.

\*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 3 above for more detail).

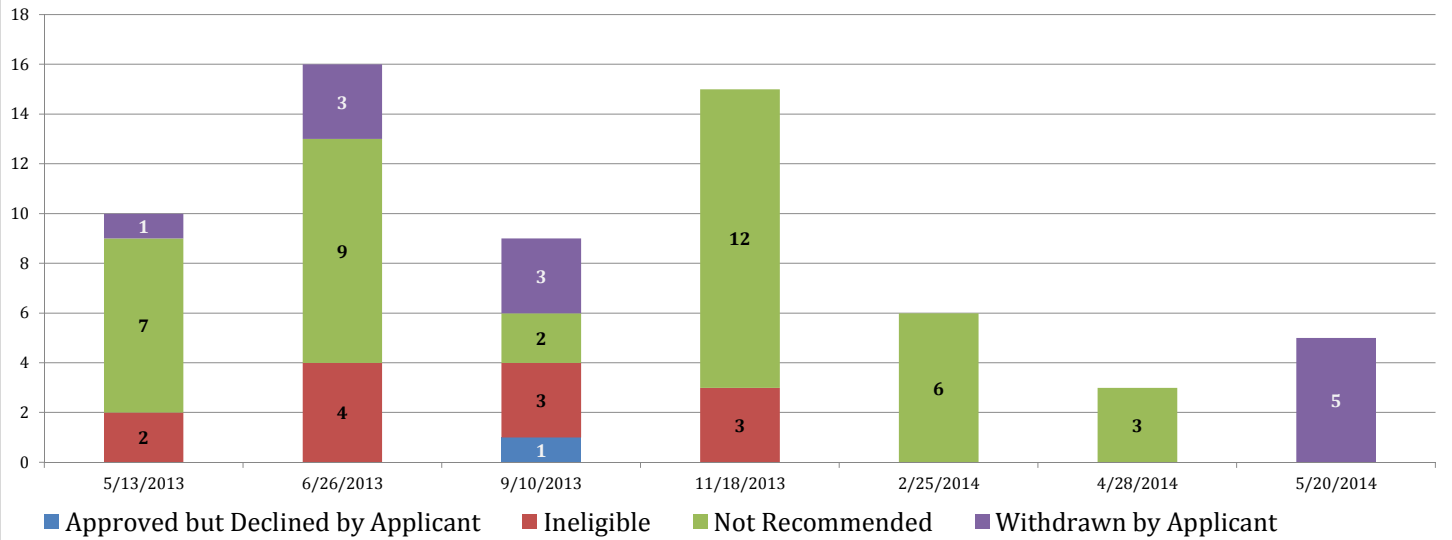


### WNYEDF Approvals by Meeting Date



Meeting Date	Company	Jobs	WNYEDF Approved (\$)	Total Project Cost (\$)
<b>Monday, May 13, 2013</b>	Coolture	37	\$300,000	\$1,928,800
	Diversified Manufacturing, Inc.	130	\$450,000	\$4,000,000
	Launch NY	0	\$5,418,000	\$7,136,718
	<b>Total</b>	<b>167</b>	<b>\$6,168,000</b>	<b>\$13,065,518</b>
<b>Wednesday, June 26, 2013</b>	425 Michigan Ave, LLC	0	\$500,000	\$21,086,889
	Ascension Industries, Inc.	146	\$300,000	\$2,700,000
<b>Total</b>		<b>146</b>	<b>\$800,000</b>	<b>\$23,786,889</b>
<b>Tuesday, September 10, 2013</b>	Alita Holdings, Inc.	172	\$2,000,000	\$110,400,000
	Aquarium of Niagara	3	\$1,750,000	\$2,570,589
	Field & Fork Network	0	\$166,912	\$174,912
	Global Outreach Mission, Inc.	2	\$154,500	\$292,000
	Michigan Street African American Heritage Corridor Commission, Inc.	1	\$250,000	\$290,000
	OSC Manufacturing & Equipment Services, Inc.	46	\$750,000	\$17,539,473
	Yancy's Fancy, Inc.	160	\$500,000	\$20,000,000
<b>Total</b>		<b>384</b>	<b>\$5,571,412</b>	<b>\$151,266,974</b>
<b>Monday, November 18, 2013</b>	CNC Technical Solutions, Inc. – Reclaim Center	5	\$75,000	\$335,850
	Ford Motor Company	780	\$1,000,000	\$101,000,000
	Forest Lawn Heritage Foundation	0	\$150,000	\$477,000
	Lineagen	8	\$250,000	\$5,000,000
	Niagara University	2	\$250,000	\$391,240
	Visit Buffalo Niagara	0	\$250,000	\$500,000
	Washington Mills	107	\$140,000	\$840,000
<b>Total</b>		<b>902</b>	<b>\$2,115,000</b>	<b>\$108,544,090</b>
<b>Monday, February 03, 2014</b>	Eden Valley Growers	26	\$80,000	\$400,000
	Living Green Insulation Products and Services, LLC	32	\$165,570	\$165,570
<b>Total</b>		<b>58</b>	<b>\$245,570</b>	<b>\$565,570</b>
<b>Monday, April 28, 2014</b>	Innomotive Solutions Group LLC	28	\$150,000	\$5,500,000
	Nexus Natural Gas LLC	0	\$570,000	\$2,800,000
	PLS III LLC dba We Care Transportation Services	300	\$1,000,000	\$14,970,000
	<b>Total</b>	<b>328</b>	<b>\$1,720,000</b>	<b>\$23,270,000</b>
<b>Grand Total</b>		<b>1985</b>	<b>\$16,619,982</b>	<b>\$320,499,041</b>

## WNYEDF Applicant Outcomes for Those Not Awarded



Meeting Date	Outcome	Company	Total
Monday, May 13, 2013	<b>Ineligible</b>		<b>2</b>
		Market Arcade Film and Arts Centre	1
		Niagara Falls Memorial Medical Center	1
	<b>Not Recommended</b>		<b>7</b>
		Content Savvy	1
		First Choice Health in collaboration with Niagara Hospice	1
		Graycliff Conservancy, Inc.	1
		NBT Solutions, LLC	1
		Roycroft Campus Corporation	1
		Twin Cities Community Outreach, Inc.	1
		Zoological Society of Buffalo, Inc.	1
	<b>Withdrawn by Applicant</b>		<b>1</b>
		Buffalo Industries	1
			<b>16</b>
Wednesday, June 26, 2013	<b>Ineligible</b>		<b>4</b>
		Kaleida Health	1
		Mark Hutchinson	1
		Try-It Distributing Company, Inc.	1
		Vazquez Family Service, LLC	1
	<b>Not Recommended</b>		<b>9</b>
		Buffalo Niagara Riverkeeper	1
		Buffalo Olmsted Parks Conservancy	1
		Cleveland BioLabs, Inc.	1
		Cornell Cooperative Extension of Niagara County	1
		Empire State Shippers' Association, Inc.	1
		Forest Lawn Heritage Foundation	1
		Martin House Restoration Corporation	1
		SiGNa Chemistry, Inc.	1
		Time Release Sciences, Inc.	1
	<b>Withdrawn by Applicant</b>		<b>3</b>
		Photolitec, LLC	1
		Trek, Inc.	1
		Western New York Technology Development Center, Inc. d/b/a Insyte Consultin	1
			<b>9</b>
Tuesday, September 10, 2013	<b>Approved but Declined by Applicant</b>		<b>1</b>
		Niagara Label Company	1
	<b>Ineligible</b>		<b>3</b>
		Lockport Main Street, Inc.	1
		Mount St. Mary's Hospital & Health Center	1
		St. John Fruitbelt CDC	1
	<b>Not Recommended</b>		<b>2</b>
		Burgio Health Alliance, LLC	1
		Photolitec	1
	<b>Withdrawn by Applicant</b>		<b>3</b>
		Eden Valley Growers, Inc.	1
		Trek, Inc.	1
		Western New York Technology Development Center, Inc. d/b/a Insyte Consultin	1
			<b>1</b>

<b>Monday, November 18, 2013</b>		<b>15</b>
	<b>Ineligible</b>	<b>3</b>
	1106 & 1110 Main Street	1
	400 Elmwood Redevelopment	1
	Lewiston Frontier House	1
	<b>Not Recommended</b>	<b>12</b>
	Alix Rice Peace Park Foundation	1
	CNC Technical Solutions, IncTraining Center 3	1
	Flat #12 Mushrooms, LLC	1
	Helios-NRG, LLC	1
	Hull House Foundation	1
	Justice Lifeline, Inc.	1
	MergerShark, Inc.	1
	Niagara Arts & Cultural Center, Inc.	1
	Precision Scientific Instruments (PSi <sup>sm</sup> )	1
	ROAR Logistics	1
	Somerset Union Museum	1
	TAM Ceramics Group of NY, LLC	1
<b>Tuesday, February 25, 2014</b>		<b>6</b>
	<b>Not Recommended</b>	<b>6</b>
	Art Services Initiative	1
	Buffalo Maritime Center	1
	Niagara County Historical Society/ DBA the History Center of Niagara	1
	Paradigm of New York, LLC	1
	Sterling Energy Group, Inc.	1
	SynchroPET	1
<b>Monday, April 28, 2014</b>		<b>3</b>
	<b>Not Recommended</b>	<b>3</b>
	Buffalo SynGas, LLC	1
	Humble Pie Group, LLC	1
	Triad Recycling and Energy, Inc	1
<b>Tuesday, May 20, 2014</b>		<b>5</b>
	<b>Withdrawn by Applicant</b>	<b>5</b>
	Buffalo Niagara Enterprise	1
	Entecco LLC	1
	Greater Buffalo United Accountable Healthcare Network, MSO, LLC (GBUAHN)	1
	Onyx Administrative Services of Buffalo	1
	Trek Industries	1
<b>Grand Total</b>		<b>64</b>

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

**Recommended Award: Exhibit "A"**

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:	\$125,000	Start Date:	7/1/2014
		Finish Date:	12/31/2014
<b>RECOMMENDED OFFER</b>			
Recommended Total Award:	\$125,000		
Total Project Cost:	\$250,000		
% of Project Cost Recommended:	50%		
<b>REGIONAL IMPACT MEASUREMENTS</b>			
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			
<b>PROJECT DESCRIPTION (adapted from application)</b>			
<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>			
<b>BASIS FOR RECOMMENDATION</b>			
<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</p>			

markets itself to prospective carriers the capabilities of the existing fiber infrastructure will be considered. 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 targeted 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 only upon confirmation that (1) another funding entity has committed to a matching grant for the completion of the study and (2) the data sought by the study is not otherwise available from New York State or other publicly available resources.

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

**Recommended Award: Exhibit "B"**

Applicant Name:	Praxair, Inc.	REDC Region:	WNY
Project Type:	Update of R&D Facility	County:	Erie
Industry:	Industrial Gas	Locality:	Tonawanda
Amount Requested:	\$2,500,000	Start Date:	7/01/2014
		Finish Date:	7/01/2016
<b>RECOMMENDED OFFER</b>			
Recommended Total Award:	\$500,000		
Total Project Cost:	\$38,775,000		
% of Project Cost Recommended:	1%		
<b>REGIONAL IMPACT MEASUREMENTS</b>			
Number of Jobs Retained:	1354		
Number of Jobs Created:	22		
Average Salary of Jobs:	\$82,000		
Indirect Jobs Created			
Other Impact			
<b>PROJECT DESCRIPTION (adapted from application)</b>			
<p>Praxair is one of the largest employers in the Town of Tonawanda where the company operates a facility responsible for: Global Plant Engineering; Research and Development; North American Operations Communications; Global Plant Monitoring; Customer Demand Monitoring; and Fleet Dispatch and Back Office Support Functions. To continue the success of the Tonawanda facility and maintain the current growth trajectory, Praxair must complete a major facility upgrade. These upgrades are estimated to cost \$38,775,000, and will allow Praxair to keep pace with technological advancement while at the same time maintaining and growing the workforce in Tonawanda. This project is confirmation of Praxair's willingness to make a long term commitment to the WNY Region but other geographical locations continue to be considered.</p>			
<b>BASIS FOR RECOMMENDATION</b>			
<p>As stated in the project description, Praxair has long been one of the largest employers in WNY, including in Tonawanda. The value of Praxair to the WNY community is significant. This project represents an opportunity for New York State to work with a major U.S. corporation to ensure a long-term commitment to the WNY Region.</p> <p>The Praxair facility in the Town of Tonawanda plays a central role in several aspects of the company's global operations. It would be a sound use of Fund Benefits to support the upgrade of this facility and maintain its status as a state of the art research center.</p> <p>It is the recommendation to the Board that it recommend a grant of Fund Benefits in the amount of \$500,000 to complete a comprehensive NYS incentive package that will secure the long-term future of Praxair in WNY. Due to the nature of this project and the incentives being offered by Empire State</p>			

Development, it is recommended that this grant be paid out in 3 milestone payments (50%/25%/25%) coinciding with the milestone payments proposed by ESD for other project incentives.

Western NY Power Proceeds Allocation Board

Exhibit "C"  
June 23, 2014

**Applications Deferred for Further Analysis**

<b>Line</b>	<b>Business</b>	<b>Classification</b>
1	City Labs, Inc., A Florida Corporation	Deferred for further analysis
2	Riviera Theatre and Organ Preservation Society Inc.	Deferred for further analysis
3	WNY Science & Technology Advanced Manufacturing Park	Deferred for further analysis



**Western NY Power Proceeds Allocation Board**  
**Exhibit D – Program Criteria**

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Criteria adapted from the Western NY Power Proceeds Allocation Board's  
"Procedures for the Review of Applications for Fund Benefits"

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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 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

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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.

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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.<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.
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.

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<sup>2</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.

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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