



Northern NY Power Proceeds Allocation Board

NORTHERN NEW YORK POWER PROCEEDS ALLOCATION BOARD

MINUTES

October 13, 2021 - 4:00 P.M.

Videoconference

Table of Contents

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
Opening Remarks	3	
1. Adoption of the October 13, 2021 Proposed Meeting Agenda - Conflicts	4	
2. Adoption of the April 14, 2021 Meeting Minutes	5	
3. Fund Update	6	
4. Award of Fund Benefits from the Northern New York Economic Development Fund – Round 11	8	A, A-1, A-2, B
5. Adoption of the 2022 NNYPPAB Proposed Meeting Schedule	16	
Other Business		
6. Next Meeting	17	

Minutes of the Meeting of the Northern New York Power Proceeds Allocation Board held via video conference.

Board Members Present:

Patrick Kelly, Chair
Theresa Phalon
Ian Maxwell
Robert McNeil

Eugene Nicandri, NYPA Trustee

NYPA Staff Present:

Karen Delince	Corporate Secretary
Richard Smith	Business & Project Development Director
Patricia Wilson	Northern New York Project Manager
Alana Appenzeller	Program Manager – Economic Development
Sheila Quatrocci	Associate Corporate Secretary
Andrea Kelli Higgs	Associate Corporate Secretary

Opening Remarks

Chairman Kelly welcomed members of the Board, the staff of North County Regional Economic Development Council, 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. The meeting was called to order at 4:01 p.m.

1. Adoption of the October 13, 2021 Proposed Meeting Agenda

Member McNeil made a motion to adopt the October 13, 2021 meeting agenda. The motion was seconded by member Phalon. The agenda was unanimously adopted.

Conflicts of Interest

Chairman Kelly stated that members were polled prior to the meeting regarding possible conflicts. In the interest of full disclosure, the existing relationships with colleagues and friends did not rise to the level of being a conflict.

2. Adoption of the April 14, 2021 Meeting Minutes

Chairman Kelly asked whether there were any amendments to the Minutes. Upon motion made by member McNeil and seconded by member Maxwell, the April 14, 2021 meeting minutes were unanimously adopted.

3. Fund Balance Update

Richard Smith submitted the following Northern New York Economic Development Fund Update:

As of
August-21

Northern New York Economic Development Fund Update¹

The Fund		
<i>this</i>	Total Deposits to the Fund to Date:	\$5,226,000
<i>plus</i>	Total Interest Earned on Deposits to Date:	\$180,561
=	Total Funds Deposited:	\$5,406,561
Expenditures		
<i>this</i>	Total Funds Deposited:	\$5,406,561
	Total Administrative Expenses Withdrawn:	\$0
	Disbursements to Grantees:	(\$904,811)
<i>plus</i>	Total Expenditures:	(\$904,811)
=	Current Fund Balance:	\$4,501,750
Awards		
<i>this</i>	Total Funds Deposited:	\$5,406,561
	Standard Projects:	\$1,882,595
	Energy Related Projects ² :	\$337,422
<i>minus</i>	Total Fund Benefits Awarded³:	\$2,220,017
=	Total Fund Benefits Available to be awarded by the NNYPPAB⁴:	\$3,186,544
Energy-Related Projects		
<i>this</i>	Minimum Amount (15%) of the Fund Dedicated to Energy-Related Projects:	\$783,900
<i>minus</i>	Total Awards (6%) Made for Energy-Related Projects to Date (not including today):	\$337,422
=	Fund Benefits Currently Available to be Awarded for Energy-Related Projects Only:	\$446,478
Today's Recommendations		
<i>this</i>	Standard Projects:	\$30,000
<i>plus</i>	Energy-Related Projects or Project Components:	\$220,000
=	2 Total Recommendations Before the NNYPPAB Today:	\$250,000
St. Lawrence County Economic Development Power ("SLCEDP")		

Total Estimated Unallocated SLCEDP Available (MW)⁵:	10
---	-----------

¹ The "Fund", known as the "Northern 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 unallocated St. Lawrence County Economic Development Power ("SLCEDP") produced at NYPA's St. Lawrence-FDR 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 the Town of Massena Electric Department for Economic Development Purposes.

² As defined by the Northern 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 § 197-a(7), "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.

³ Funds awarded to applicants to the Fund who are recommended for an award by the NNYPPAB and approved by the NYPA Trustees are known as "Fund Benefits." Disbursement of Fund Benefits is subject to satisfaction of certain terms and conditions.

⁴ Total Fund Benefits Available to Be Awarded is calculated as Total Funds Deposited minus the sum of Total Fund Benefits Awarded and Total Administrative Expenses Withdrawn.

⁵ Unutilized St. Lawrence County Economic Development Power ("SLCEDP") consists of an estimate of unallocated hydropower. For the first five years following the effective date, the amount of SLCEDP used to generate excess earnings shall be the lesser of 20 MW or the amount of SLCEDP that has not been allocated. Beginning five years from the effective date, the amount of SLCEDP used to generate excess earnings shall be the lesser of 10 MW or the amount of SLCEDP that has not been allocated.

NNYEDF Awards

<div> <div>NNYPPAB</div> <div>Recommendation Date</div> <div>(Multiple Items)</div> <div></div> </div>		
County	Company	Sum of NNYPPAB Approved \$\$
☐ St. Lawrence	Canexsys	\$200,000
	Clarkson University	\$60,000
	North Country Children's Museum	\$140,000
	Empire State Mines	\$330,000
	Kingston Pharma LLC	\$200,000
	AmTech Yarns, Inc.	\$370,000
	SLC Chamber of Commerce	\$220,305
	Queenaire Technologies, Inc.	\$59,600
	Criscitello & Criscitello LP	\$95,000
	Structural Wood Corporation	\$169,112
	St. Lawrence Power and Equipment Museum	\$25,000
	In-Law Brewing Company LLC	\$51,000
	Woodcrest RNG, LLC	\$300,000
St. Lawrence Total		\$2,220,017
Grand Total		\$2,220,017

Chairman Kelly thanked Richard Smith for the Northern New York Fund Update report.

4. **Award of Fund Benefits from the Northern New York Economic Development Fund – Round 11**

Chair Kelly invited Patricia Wilson, Northern New York Project Manager, to discuss the Award of Fund Benefits from the Northern New York Economic Development Fund – Round 11.

Ms. Wilson said staff is requesting that the NNYPPAB recommend that the New York Power Authority's Trustees approve the Award of Fund Benefits for Round 11, in the amounts detailed on Exhibits "A", "A-1" and "A-2" provided herein, and in accordance with this Board's "Procedures for the Review of Applications for Fund Benefits", attached as Exhibit "B".

Upon motion made by Member Maxwell and seconded by Member Phalon, the Award of Fund Benefits from the Northern New York Economic Development Fund – Round 11, was approved by the Board as recommended, and substantially in the form which follows:

NOW THEREFORE BE IT RESOLVED, that the Northern New York Power Proceeds Allocation Board ("Allocation Board") hereby recommends that the Power Authority of the State of New York ("NYPA") make an award of Fund Benefits to the North Country Children's Museum and Atlantic Testing Laboratories, limited in the amounts recommended in Exhibits "A", and "A-1" and "A-2", included herein, and provided that:

(i) if the application proposes a project that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before it may proceed, the recommendation for such application shall not be forwarded to NYPA until Staff, on behalf of the Board, receives appropriate notification that such legal approvals and/or requirements which are necessary for the project to proceed have been satisfied, and

(ii) such recommendations shall be subject to further Board review in the event that such approvals and/or legal requirements are not satisfied; and be it further

RESOLVED, that Staff is authorized on behalf of the Allocation Board to transmit the Board's decision and recommendations to NYPA subject to the qualification stated above regarding legal approvals and/or requirements, and to do any and all things and take any and all actions to effectuate the Board's decision and the foregoing resolution.

									Exhibit "A"	
									October 13, 2021	
Applications for Proceeds and Fund Recommendations										
Line	Business	City	County	Economic Development Region	Project Description	Project Type	Recommended Award Amount	Total Project Cost	Jobs Retained	Jobs Created
1	North Country Children's Museum	Potsdam	SLC	North Country	STEM museum expansion	Business Investment	\$30,000	\$1,900,000	N/A	1
2	Atlantic Testing Laboratories, Limited	Canton	SLC	North Country	Business expansion	Business Investment	\$220,000	\$2,400,000	22	4
						Total:	\$250,000	\$4,300,000	22	5
							Total Jobs Created & Retained:			27



Northern NY Power Proceeds Allocation Board

Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-1

Applicant Name:	North Country Children's Museum ("NCCM")	REDC Region:	North Country
Project Type:	Business Investment	County:	St. Lawrence
Industry:	Not-for-Profit	Locality:	Potsdam
Amount Requested:	\$100,000	Start Date:	October, 2021
		Finish Date:	April, 2023
RECOMMENDED OFFER			
Recommended Total Award:	\$30,000		
Total Project Cost:	\$1,900,000		
% of Project Cost Recommended:	2%		
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Second Floor Renovation	\$837,000	NNYEDF	\$100,000
Exhibit Design, Fab., Installation	\$780,000	Committed:	
Building Contingency	\$90,000	NYS DRI	\$1,400,000
Architect & Engineering	\$75,000	Equity	\$70,000
Plumbing & Electrical	\$73,000	John Ben Snow Foundation	\$10,000
HAZMAT Removal/Abatement	\$45,000	National Grid	\$2,000
		Potential:	
		USDA	\$168,000
		SLC, IMLS	\$150,000
Total:	\$1,900,000	Total:	\$1,900,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Applicant will create 1 full time equivalent ("FTE") at the project location over three years.		
Average Salary of Jobs:	\$38,000		
Indirect Jobs Created	n/a		
Other Impact			
PROJECT DESCRIPTION (Adapted from Application)			
<p>Since opening in 2018, the NCCM has attracted some 20,000 visitors and 600 member families annually and has outgrown its 3,500 sq. ft. space. The NCCM continues to see strong demand for its offerings and plans to expand into the second floor of its current location by adding permanent exhibits, a program room, office space, storage, an elevator, restrooms and making other improvements.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
NYS DRI	\$1,400,000	National Grid	\$2,000
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	



Northern NY Power Proceeds Allocation Board

Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-1

NNYEDF (Proceeds)	\$140,000	
ESD	\$120,000	
RVRDA	\$75,000	
National Grid	\$50,000	
BASIS FOR RECOMMENDATION		
<p>The Project:</p> <ul style="list-style-type: none"> • Expands regional tourism impact by creating a facility projected to double current attraction rates within five years; • Supports an organization that currently contributes ~\$700K in spinoff revenue to area businesses. The project is expected to increase this benefit to area restaurants, hotels, and shops to ~\$1M; • Helps revitalize Potsdam's Market Street National Historic Register district and adds to a growing County-wide tourism revitalization; • Supports strategies and priorities indicated by the NCREDC such as: <ul style="list-style-type: none"> ○ Promotes tourism as a pathway to diversifying the economy and attracting private investment that revitalizes communities; ○ Encourages adaptive reuse of an existing structure located in or near a village, and; ○ Broadens access points for arts and culture. 		
ANTICIPATED DISBURSEMENT TERMS		
<p>Fund Benefits would be used to reimburse the applicant for a portion of costs associated with completing the project. It is anticipated that funds will be disbursed in arrears and payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately \$1,900,000.</p>		



Northern NY Power Proceeds Allocation Board

Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-2

Applicant Name:	Atlantic Testing Laboratories, Limited ("Atlantic")	REDC Region:	North Country
Project Type:	Business Investment	County:	St. Lawrence
Industry:	For Profit Engineering Support and Testing	Locality:	Canton
Amount Requested:	\$220,000	Start Date:	March, 2022
		Finish Date:	August, 2022
RECOMMENDED OFFER			
Recommended Total Award:	\$220,000		
Total Project Cost:	\$2,400,000		
% of Project Cost Recommended:	9%		
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Construction Costs	\$1,723,670	NNYEDF	\$220,000
Track Drill, Trailer and Tooling	\$450,000	Committed:	
Demolition	\$226,330	Bank Loan	\$1,460,000
		Equity	\$240,000
		Potential:	
		ESD	\$480,000
Total:	\$2,400,000	Total:	\$2,400,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Applicant will retain 22 and create 4 full time equivalent positions ("FTE") at the project location over five years.		
Average Salary of Jobs:	\$65,787		
Indirect Jobs Created	n/a		
Other Impact			
PROJECT DESCRIPTION (Adapted from Application)			
<p>In 2010 the Applicant purchased an unoccupied industrial building located at 80 Lincoln Street in Canton where it is currently running its drilling, equipment fabrication and vehicle maintenance operations. The facility is located in a designated Brownfield Opportunity Area and downtown revitalization corridor and is in need of substantial repairs to maintain the structure and make it more functional to accommodate growth. The Applicant has created a five-year, four phase redevelopment plan, the first two phases of which are the subject of this project and described as:</p> <p>Phase 1</p> <ul style="list-style-type: none"> • Reconfigure structural steel in the rear of building; • Lower roof line; • Replace roof, siding, doors, and windows; • Install insulation and new energy efficient lighting. 			



Northern NY Power Proceeds Allocation Board

Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-2

<p>Phase 2</p> <ul style="list-style-type: none"> Secure middle of the building, which is used for equipment and materials storage and mobilization/demobilization operations; Purchase drill rig to allow growth and job creation of 4 employees. <p>Repairs and will include the installation of foam insulation, roof insulation and an upgraded HVAC system.</p>		
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED		
ESD CFA (Pending)	\$480,000	
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED		
TYPE	AMOUNT	STATUS
None		Current
BASIS FOR RECOMMENDATION		
<ul style="list-style-type: none"> Without an award, ATL may vacate 80 Lincoln Street, outsource mechanical maintenance and repairs activities and relocate its Drilling Division, resulting in the loss of up to 22 jobs in St. Lawrence County. The Project also proposes to create 4 full time positions over the next 5 years at an average annual salary of ~\$66K. The Canton Drilling Division currently contributes substantially to service revenue and profitability. The fabrication and maintenance shops provide Atlantic with a competitive advantage that often allows it to win challenging projects. A Proceeds award will support continued growth and expansion in a key area, which will help Atlantic increase market share and service offerings. An award supports a company that utilizes regional workforce development programs to help the unemployed fill its job gaps. ATL offers high-paying skilled job opportunities with little or no prior experience and offers paid training courses, on-the-job training, and license/certification support. An award supports capital investment of \$2.4M in a Brownfield Opportunity Area and Downtown Revitalization Corridor. The Project aligns well with NCREDC strategies and priorities. It: <ul style="list-style-type: none"> Has been identified as a priority project; Revitalizes and strengthens the local economy by encouraging redevelopment of an underutilized property; Supports manufacturing growth in the North Country. 		
ANTICIPATED DISBURSEMENT TERMS		
<p>Fund Benefits would be used to reimburse the applicant for a portion of costs associated with completing the project. It is anticipated that funds will be disbursed in arrears and payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately \$2,400,000.</p>		



Northern NY Power Proceeds Allocation Board

“EXHIBIT B”

Criteria adapted from the “Board Procedures, and Board Policies Relating to the Review of Applications for Fund Benefits”, adopted by the Northern New York Power Proceeds Allocation Board

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the North Country Regional Economic Development Council (“NCREDC”). Such strategies and priorities include the following:
 - Energize our communities by building on growth in the aerospace, transit equipment, defense, biotech, energy, and manufacturing industries
 - Leverage our gateway to Canada, the nation’s largest trading partner, to lead the State in global investment
 - Attract and nurture entrepreneurs through innovation to catalyze the highest per capita rate of small business start-ups and expansions in the state
 - Invest in community development infrastructure that expands opportunities and capacity
 - Innovate effective rural healthcare and education delivery networks
 - Elevate global recognition of the region as one of the special places on the planet to visit, live, work and study
 - Activate tourism as a driver to diversify our economies by creating demand to accelerate private investment
 - Invest in agriculture as we help feed the region and the world
 - Create the greenest energy economy in the state
2. Whether the eligible project would occur in the absence of an award of Fund Benefits.
3. The extent to which an award of Fund Benefits will result in new capital investment in the State by the eligible applicant and the extent of such investment.
4. Other assistance the eligible applicant may receive to support the eligible project.
5. The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the eligible applicant were to receive an award of Fund Benefits.
6. The eligible applicant's payroll, salaries, benefits and number of jobs at the eligible project for which an award of Fund Benefits is requested.
7. Where applicable, the number of jobs that will be created or retained within St. Lawrence County and any other parts of the State in relation to the requested award of Fund Benefits, and the extent to which the eligible applicant will agree to commit to creating or retaining such jobs as a condition to receiving an award of Fund Benefits.
8. Whether the eligible applicant is at risk of closing or curtailing facilities or operations in St. Lawrence County and other parts of the State, relocating facilities or operations out of St. Lawrence County and other parts of the State, or losing a significant number of jobs in



Northern NY Power Proceeds Allocation Board

“EXHIBIT B”

St. Lawrence County and other parts of the State, in the absence of an award of Fund Benefits.¹

9. The significance of the eligible project that would receive an award of Fund Benefits to the economy of the area in which such eligible project is located.
10. For new, expanded and/or rehabilitated facilities, the extent to which the eligible applicant will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving an award of Fund Benefits.²

¹ Job creation and retention are key indicators of economic activity. However, the Allocation Board recognizes that certain investments may increase productivity and revitalize areas without immediately increasing permanent employment. Therefore, job creation/retention commitments will be emphasized primarily in the Business Investment Track. While job creation and retention may not be a significant factor for other Tracks, demonstration of economic development benefits to the Region will generally be considered favorably when assessing applications under all Tracks.

² As provided for in Economic development Law § 197-c(4), many of the criteria are adapted from criteria used in determining eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law (“PAL”) § 1005(13). Certain criteria identified in PAL § 1005(13) are relevant to power allocations under these programs and do not have any logical application to the allocation of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits.

5. Adoption of the 2022 Meeting Schedule

Member Phalon made a motion to adopt the 2022 Meeting Schedule for the Northern New York Power Proceeds Allocation Board. The motion was seconded by Member Maxwell. The 2022 Meeting Schedule was unanimously adopted as follows:

RESOLUTION

RESOLVED, that the schedule of NNYPPAB Meetings for the year 2022, as set forth below, be, and hereby is, approved.

<u>Date</u>	<u>Time</u>
February 9, 2022	4:00 p.m.
April 13, 2022	4:00 p.m.
June 8, 2022	4:00 p.m.
August 4, 2022	4:00 p.m.
October 12, 2022	4:00 p.m.

Other Business

None.

6. Next Meeting and Adjournment

Chairman Kelly stated that the next regular meeting of the Northern New York Power Proceeds Allocation Board will be Wednesday, February 9, 2022.

He stated that if members had no additional business, he would entertain a motion to adjourn.

Upon motion made by Member Phalon and seconded by Member McNeil, the meeting was adjourned.

Karen Delince

Karen Delince
Corporate Secretary