

**E. GGLDC - Western New York Science, Technology and Advanced Manufacturing Park  
(W579)**

September 17, 2009

**Grantee:** Genesee Gateway Local Development Corporation (“GGLDC”)

**ESD Investment:** A grant of up to \$1,000,000 to be used for a portion of the cost of engineering, environmental, economic, and other studies to determine scope, feasibility and cost of developing a mega site for advanced manufacturing.

**Project Location:** Town of Alabama, Genesee County

**NYS Empire Zone (or equivalent):** N/A

**Project Completion:** December 2010

**Grantee Contact:** Lezlie A. Farrell, Chief Financial Officer  
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**Project Team:**

Project Management	Edward Muszynski
Affirmative Action	Helen Daniels
Environmental	Soo Kang

**Project Description:**

Background

GGLDC was formed in 2004 as an affiliate of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center (“GCEDC”), primarily to undertake GCEDC’s real estate development. GGLDC handles all aspects of industrial park development, including receipt of grants or loans, and serves as a conduit for such assistance to private companies. In addition to the proposed Western New York Science, Technology and Advanced Manufacturing Park (“WNY STAMP”), GGLDC has four park developments in various stages: Gateway II Corporate Park, Upstate Med & Tech Park, Buffalo East Technology Park, and Genesee Valley Agri-Business Park; and GCEDC has completed Apple Tree Acres Corporate Park (collectively, the “Existing Parks”). The first two parks have the entire infrastructure completed and are able to accommodate new business developments. The third park is still in the planning stage of development. The fourth park is expected to have its infrastructure developed in 2009 and 2010.

GGLDC has identified a market need to develop a much larger park than the Existing Parks. Such a “mega” site, of at least 1,000 acres, would seek to attract a large-scale advanced manufacturing project. The Grantee has identified such a site in the Town of Alabama (the “Town”), and needs to undertake preliminary multi-faceted studies to determine the

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feasibility of such a development on that site. GGLDC realizes that, given the massive infrastructure and other demands and issues associated with such a site, there are very few such feasible projects in New York State or even in the U.S. The Luther Forest project in the Capital Region, a multi-year effort that required a very significant infrastructure build-out and attracted chip-maker AMD, which is locating its new affiliate Global Foundries at the site, is an example of such a mega site.

GGLDC has already undertaken Phase I of this effort, consisting of a preliminary feasibility study of the park, including community opinion surveys. The results indicate strong public support and significant strengths of the project concept, namely the availability of low-cost hydropower, excellent higher education and transportation systems, and industry opportunities targeting the semiconductor, flat panel display, photovoltaic, and bio-manufacturing industries. Depending on the nature of the investment, type of industry and size of the facility, GGLDC estimates that the project could create up to 9,300 full-time jobs over approximately 25 years.

ESD has administered a number of loans and grants for GGLDC/GCEDC projects. From 2002 to 2007, ESD approved five Build Now NY loans and grants totaling \$497,200 for the cost of engineering, environmental and archeological studies; site plan development; and other soft costs related to pre-permitting associated with the Existing Parks. All of these projects were successfully completed and the funds were disbursed.

### The Project

With the assistance of consultants, public-private development organizations and National Grid (“NG”), the area’s utility company, GGLDC will undertake the following as Phase II:

#### Land Use Actions and Comparable Sites Benchmarking:

Develop revisions of the Town’s comprehensive plan, zoning code and Genesee County smart growth plan, and fund trips by community and municipal leaders to comparable sites to learn first-hand about the successes and challenges of developing a mega site. Seek funding for a farmland protection plan for the remainder of the community.

#### Engineering and Environmental:

Develop full design of needed infrastructure, site plans and cost estimates, and undertake a comprehensive environmental review in compliance with the State Environmental Quality Review Act to determine what it will take to make WNY STAMP’s site shovel ready.

#### Electric Transmission Level Infrastructure Study:

With the critical importance of high-capacity, availability and reliability of electric service for large advanced manufacturing projects, a relevant study needs to be conducted to determine key milestones, timing, system level reinforcements and upgrades, transmission line routing, and interconnect options to deliver what’s needed to the site.

**GGLDC - Western New York Science, Technology and Advanced Manufacturing Park  
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September 17, 2009

**Economic Analysis and Financial Benchmarking:**

Conduct an economic impact analysis as it relates to the site's build-out over time; perform a fiscal impact analysis on the tax base and on tax revenues vs. costs, local property assessed values and related property tax rates; and benchmark how competitive the WNY STAMP site would be.

**Sales And Marketing Plan:**

The Buffalo Niagara Enterprise ("BNE"), supported by the Greater Rochester Enterprise ("GRE"), will create a regional/state team to find an occupant for the site, using both local and regional positioning. The first method will market the park by developing two brochures, one focused on the needs of the photovoltaic industry, and the other on the park's specific characteristics. The regional effort will position the park as part of an I-90/I-87 "Green Tech" Corridor (the "Corridor") stretching from Buffalo to Albany. The effort would market all sites in the Corridor with the potential to house green industries, highlighting the successes to date. Also, a quick response team will be formed to address requests for project information and site visits.

**Project Strategy, Integration and Oversight:**

Strategy development, integration, implementation, and fundraising as it relates to the WNY STAMP, will be carried out in the context of state, regional and county economic development strategies.

**Five main outside organizations are involved in the project:**

CH2M HILL ("CH2M"), located in Moon Township, PA, is a multi-disciplinary consultant that will focus on economic analysis, financial benchmarking, project strategy, integration, and oversight. The firm was selected based on its worldwide experience with similar large-scale development projects, including the Luther Forest development in Saratoga County.

IDC Architects ("IDC"), also located in Moon Township, PA, is a sister company of CH2M, and has been its architectural arm in similar projects. IDC was also selected based on its experience with similar projects and ability to work closely with CH2M.

BNE, located in Buffalo, is a public-private development organization in the Buffalo region. Its primary responsibility is to sell the Western New York region for these types of economic development projects. BNE will handle the sales and marketing aspects of the project. It will be supported by GRE, its counterpart in the Rochester region.

Clark Patterson Lee Associates ("CPL"), located in Rochester, is the Grantee's main engineering firm. CPL has proven to be a valuable resource and partner in the last several of GGLDC's park developments, and will focus on land use actions, comparable sites benchmarking, engineering, and environmental aspects, drawing on its significant experience in these disciplines.

**GGLDC - Western New York Science, Technology and Advanced Manufacturing Park  
(W579)**

September 17, 2009

National Grid, headquartered in Syracuse, is the primary electric utility in Genesee County, and serves over 3.4 million customers in New York and New England. It will focus on the electrical transmission level infrastructure study component. NG is vitally important to the project, due to the critical need for significant electrical capacity. NG is also a grant provider for the project and has been an active partner with GGLDC in its park developments.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Consultant Services	\$1,350,000	ESD Grant	\$1,000,000	74%
		National Grid*	350,000	26%
Total Project Costs	\$1,350,000	Total Project Financing	\$1,350,000	100%

\*National Grid is expected to commit these funds in two phases of \$175,000 each. Grantee has received a commitment letter for the first phase.

**Financial Terms and Conditions:**

1. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement or of any condition that might adversely affect completion of the project.
2. Up to \$1,000,000 will be disbursed to Grantee, no more frequently than monthly, for project costs actually incurred by the Grantee, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 1, 2008 to be considered eligible project costs.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

**Affirmative Action:**

ESD's Non-Discrimination and Affirmative Action policy will apply. GGLDC agrees to use its best efforts to include minorities and women in any job opportunities created by the project and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the project.

**GGLDC - Western New York Science, Technology and Advanced Manufacturing Park  
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**Statutory Basis – Section 10 Findings – New York State Technology and Development Program:**

Land Use Improvement Project [The Findings relate only to this design/study phase and not to any project that may or may not be built or implemented subsequently at the site. If any such project is built and utilizes state funding, new Project Findings would be required.]

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.  
Without the project to provide future employment, Genesee County's economy could decline significantly, which would arrest sound growth and development in the area.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.  
The project involves the planning and design of an approximately 1,300-acre site for industrial uses.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.  
Private consultants, development organizations and a utility are involved in the planning and analysis for the project.
4. That the proposed facilities or project is consistent with any existing local or regional comprehensive plan.  
According to the Grantee, applicable comprehensive plans would need to be modified to accommodate the proposed project.
5. The requirements of Section 10(g) of the Act are satisfied.  
There are no families or individuals displaced from the project areas.

**Disclosure and Accountability Certifications:**

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.