

L. SCEDC – Electrical Infrastructure at Former Seneca Army Depot (W531)

September 14, 2010

Grantee: «Orgn_Name_Client» (“SCEDC”)

Beneficiary Companies: Top Quality Hay Processors, LLC (“TQHP”)
Seneca BioEnergy, LLC (“SBE”)

ESD Investment: A grant of up to «Grant_Amt» to be used for a portion of the cost of electrical infrastructure upgrades.

Project Location: 5786 State Route 96, Romulus, «Project_County» County

NYS Empire Zone (or equivalent): N/A

Project Completion: December 2011

Grantee Contact: «Contact_Name_Client», «Contact_Title_Client»
«Street_Address_Client»
«CitySTZip_Client»
Phone: «Phone_Client» Fax: «Fax_Client»

Beneficiary Contact*: Mike Coia
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*For both companies

Project Team: «Originator»Project Management «Project_Manager»
«Attorney»
Affirmative Action Helen Daniels«Affirmative_Action»
Environmental Soo Kang«Environmental»

Project Description:

Background

SCEDC is a local development corporation organized and operated under Section 1311 of New York’s not-for-profit law. Its mission is to promote economic development in Seneca County, particularly at the former Seneca Army Depot (the “Depot”). SCEDC assists existing and prospective businesses that have or could have operations within Seneca County, particularly those interested in locating at the Depot, a 10,600-acre former military facility that is being converted to civilian use. Targeted uses at the Depot include institutional, industrial, commercial, warehousing, technology, and green energy.

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The Restore NY program, administered by ESD, has committed a total of \$2,856,000 in grant funds to the Town of Romulus (of which \$1,856,000 has been disbursed), to assist companies that have agreed to locate at the Depot. Those companies include TQHP and SBE.

In 2008, ESD approved four legislative-sponsored grants to SEDC: \$100,000 to be used for the renovation of a building at Hillside Family of Agencies' Varick Campus ("Hillside"); \$900,000 to be used for renovating a different building at Hillside and for Depot improvements; \$1,000,000 to be used for facility and roadway improvements at Hillside, at Finger Lakes Technology Group's technology park, and for various engineering costs; and a \$500,000 grant toward the purchase of equipment by TQHP. Three of these four grants were fully disbursed. As for the \$900,000 grant, all but \$203,618 has been disbursed.

In 2008, ESD approved a \$100,000 Empire State Economic Development Fund grant to TQHP for the purchase of equipment to induce it to relocate to the Depot. The project was completed, and half of the grant has been disbursed. An additional \$25,000 will be disbursed upon reaching 19 jobs and the final \$25,000 will be disbursed upon reaching 30 jobs.

The Project

The project will result in the upgrading of electrical infrastructure at the Depot. The upgrades will permit SBE and TQHP to have the electrical capacity needed for growth over the next several years. SBE will contract with the area's utility, New York State Electric & Gas ("NYSEG"), for the work. NYSEG will upgrade a nearby substation and upgrade approximately two miles of electrical feed to 2.6 times its capacity (from 4.8 kV to 12.5 kV).

Financing Uses	Amount	Financing Sources	Amount	Percent
Depot Electrical Improvements	\$1,502,000	ESD Grant (W531)	\$752,000	50%
		ESD Restore NY II Grant (W056)*	\$750,000	50%
Total Project Costs	\$1,502,000	Total Project Financing	\$1,502,000	100%

*A portion of the \$2.5M Restore NY grant awarded to the Town of Romulus is designated for this component.

Environmental Review:

Pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the redevelopment of Seneca Army Depot, the Directors made a Determination of No Significant Effect on the Environment at their meeting of April 17, 2008. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

Statutory Basis – Local Assistance:

The project was authorized in the 2008-2009 New York State budget and reappropriated in the

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2010-2011 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

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.