

Western New York Power Proceeds Allocation Board

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Western New York Power Proceeds Allocation Board Recommends \$625,000 in Funding for Projects in WNY

Awards from hydropower earnings would ensure Praxair's long-term commitment to WNY and fund a study by the Niagara Falls International Airport Stakeholders Group

The Western New York Power Proceeds Allocation Board (WNYPPAB) today recommended \$625,000 in funding to two Western New York enterprises, Praxair Inc. and the Niagara Falls International Airport Stakeholders Group, Inc. In total, the latest projects recommended for funding awards are expected to create 22 jobs, result in investments by project applicants of nearly \$39 million and ensure the long-term economic success of entities in Niagara County. The recommendations are expected to be considered by the New York Power Authority (NYPA) Board of Trustees at its July 29 board meeting.

"The projects recommended by the Power Proceeds Board today will support business growth that leads to a strong, sustainable economy in Western New York," said Allocation Board Chairman Anthony J. Colucci III. "Praxair has long been one of the largest employers in the region, while the Niagara Falls International Airport Stakeholders Group is working to secure the future of sites paramount to the entire Buffalo-Niagara region. Both projects are worthy of funding and will revitalize the economy."

The latest recommendations for proceeds awards stem from legislation signed into law in 2012 by Governor Andrew M. Cuomo, known as the Western New York Power Proceeds Allocation Act. The legislation authorizes "net earnings" from the sale of unused hydropower from NYPA's Niagara project to be deposited into the Western New York Economic Development Fund to support economic development in Western New York. The Fund has accrued approximately \$36 million to date. Approximately \$13.6 million has been approved for awards by the NYPA Trustees on the basis of earlier recommendations by the proceeds Allocation Board.

The latest projects recommended by the Allocation Board include:

Praxair Inc.

Recommended Award Amount: \$500,000

Praxair is one of the largest employers in the Town of Tonawanda where the company holds 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 will come at a cost of \$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. As part of the project, the company, which employs more than 1,300 people in Western New York, will create 22 new jobs. The WNYPPAB's recommends \$500,000 in fund benefits to complete a comprehensive New York State incentive package that will secure the long-term future of Praxair in Western New York.

Niagara Falls International Airport Stakeholders Group, Inc.

Recommended Award Amount: \$125,000

Niagara Falls International Airport Stakeholders Group, Inc. (NFIA), made up of 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 success of the region, will 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 these sites, which together make up the largest employment base in Niagara County. 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 can accommodate future growth. The WNYPPAB's recommendation of \$125,000 in fund benefits will provide one half of the financing needed to successfully perform this study.

The Western New York Power Proceeds Allocation Board reviewed these and other applications for Fund proceeds in accordance with requirements of the Act. For example, eligible projects must be located within a 30-mile radius of NYPA's Niagara Power Project. The Allocation Board also considers the extent to which an award would be consistent with the strategies and priorities of the area New York regional economic development councils.

Contracts with awardees will include provisions for periodic audits to ensure that the funds are utilized for agreed-upon purposes. Some projects are subject to legal requirements that must be satisfied before an award of Fund proceeds can be made.

The Allocation Board is comprised of the following members, appointed by Governor Cuomo: Chairman Anthony Colucci, managing attorney of the law firm of Colucci & Gallaher, in Buffalo; Deanna Alterio Brennan, president of the Niagara USA Chamber of Commerce; Brenda Williams

McDuffie, president of the Buffalo Urban League; Dennis W. Elsenbeck, regional executive, National Grid Western Division; and Henry F. Wojtaszek, General Counsel at Off-Track Betting of Western New York.

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