

Western New York Power Proceeds Allocation Board

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Western New York Power Proceeds Allocation Board Recommends \$1 Million in Funding for Projects in WNY

Awards from hydropower earnings would align with Western New York Regional Economic Development Council goals for workforce development, advanced manufacturing and entrepreneurship

The Western New York Power Proceeds Allocation Board (WNYPPAB) today recommended \$1 million in funding to four Western New York enterprises, City Labs Inc., Cobey Inc., Higher One Inc. and the WNY Women's Foundation Inc. In total, the latest projects recommended for funding awards are expected to create 158 jobs, result in investments by project applicants of more than \$14 million and ensure the long-term economic success of entities in Western New York. The recommendations are expected to be considered by the New York Power Authority (NYPA) Board of Trustees at its October 15 board meeting.

"The projects recommended by the Power Proceeds Board today support the strategies of the Western New York Regional Economic Development Council that will lead to a strong, sustainable economy in Western New York," said Allocation Board Chairman Anthony J. Colucci III. "City Labs, Cobey, Higher One and the WNY Women's Foundation Inc. represent the diverse projects that WNYPPAB is asked to consider for recommendation and will generate investment and create jobs in the region."

WNYPPAB members also heard a presentation with updates from 43North, which received \$5.4 million in proceeds awards through Launch NY to fund the nation's largest and most ambitious business idea competition. Plans for 43North Week, an exciting showcase of entrepreneurial events and activities scheduled for October 24 through October 30, 2014, are well underway. The weeklong event lineup will culminate with the 43North competition finalist pitches and inaugural awards ceremony, in which eleven competition finalists will receive various funding awards, including a top prize of \$1 million.

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 \$37 million to date. Approximately \$14.2 million has been approved for awards by the NYPA Trustees on the basis of earlier recommendations of the proceeds Allocation Board.

The latest projects recommended by the Allocation Board include:

City Labs Inc.

Recommended Award Amount: \$484,835

City Labs Inc. develops and manufactures Tritium, high energy density, betavoltaic batteries for medical devices, sensors and defense equipment. Due to recent success in gaining customers and creating a market share, the company is preparing to increase to full-scale commercial manufacturing of the latest evolution of its betavoltaic battery. This \$11.8 million project, which will create 90 new high-tech advanced manufacturing jobs, will include the leasing of a site in Western New York, followed by equipping the site with advanced manufacturing machinery and equipment. The WNYPPAB recommends \$484,835 in fund benefits as the company will relocate to Western New York from Florida and this industry sector fits well with the Western New York Regional Economic Development Council (WNYREDC)’s regional plan, which places high priority on the advanced technology manufacturing industry sector.

Cobey Inc.

Recommended Award Amount: \$183,950

Cobey Inc., a manufacturer of air and gas compression equipment, will evolve its equipment manufacturing process into the manufacturing of compressed natural gas (CNG) equipment to serve the Western New York market. Purchases of CNG equipment are rapidly rising as companies that rely on heavy trucking shift to CNG vehicles and the oil and gas industry evolves to incorporate more CNG. Cobey has identified a gap in New York State’s CNG market where there are opportunities for the manufacturing, testing and training of CNG equipment. Currently, most Western New York companies installing CNG equipment are forced to go to Pennsylvania for the purchase of equipment and equipment training. Cobey’s \$919,750 project, which will create 32 new jobs, will create a CNG manufacturing, testing and training process in Tonawanda in concert with NOCO, which holds a large share of the Western New York oil and gas industry. Advanced manufacturing is a priority industry in Western New York and projects of this nature will foster the continued growth of this sector.

Higher One, Inc.

Recommended Award Amount: \$300,000

Campus Labs was formed by two SUNY Buffalo students who won a business plan competition for their idea to form a company that develops software to collect information from students that could be used to impact programs and services. Since growing to serve more than 650 campuses, Campus Labs was bought by Higher One, which is located in New Haven,

Connecticut. With the acquisition, Campus Labs' stand-alone operation has been in doubt and more efficient space must be found in Buffalo for the company to remain. Campus Labs, in conjunction with McGuire Development, has identified a mostly vacant, underutilized building located at 25 East Huron St. that will be transformed into a high-tech hub with Campus Labs as the anchor tenant. Higher One's \$1,033,125 project, which will create 36 new jobs and retain 70 high paying jobs, is the type of high-tech company that the WNYREDC is trying to attract to Western New York.

WNY Women's Foundation

Recommended Award Amount: \$100,000

The WNY Women's Foundation, in partnership with Niagara County Community College, will implement years two and three of a pilot workforce training program for at-risk single mothers (MOMS: From Education to Employment Program), which will seek to improve educational attainment and improve the skills and workforce readiness of single mothers, many who are underemployed in the Western New York region. The program will prepare students for careers in targeted industry sectors by providing wrap-around support and case management addressing the most persistent barriers to student achievement. Successful program participants will qualify for in-demand jobs in the region and which pay higher wages. In addition to the direct benefits to women in the program, the pilot will also allow the WNY Women's Foundation to collect data on the impact of the services provided and refine its approach for similar programs that may be implemented at other local colleges. This \$563,862 project aligns with the WNYREDC's workforce development core strategy.

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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