



Western NY Power Proceeds Allocation Board

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Western New York Power Proceeds Allocation Board Recommends more than \$8 Million in Funding Projects in WNY

Awards from hydropower earnings would align with Western New York Regional Economic Development Council goals for manufacturing, entrepreneurial, agricultural and tourism

Today the Western New York Power Proceeds Allocation Board (WNYPPAB) voted to recommend \$8,480,000 in funding to five Western New York enterprises. The WNYPPAB recommendations build on the momentum and capitalize on the strategies laid out in the Western New York Regional Economic Development Council strategic plan and the Buffalo Billion Investment Development Plan. The plans identify entrepreneurship, advanced manufacturing, agriculture and tourism as being part of a strategy that will create sustainable economic and inclusive job growth for Western New York. The recommendations are expected to be considered by the New York Power Authority (NYPA) Board of Trustees at a future date.

“The projects recommended today for funding from the power proceeds Fund will support economic growth in Western New York while also invigorating the entrepreneurship ecosystem,” said Allocation Board Chairman Anthony J. Colucci III. “ We welcome additional applications for funding awards, especially those that create new well-paying job opportunities in the region.”

The five entities, to which the five-member proceeds allocation board recommended awards are, 43North LLC, the Buffalo Billion business idea competition; Tulip Molded Plastics Corporation, a manufacturer of plastic casings in Niagara Falls; D’Youville College, School of Arts, Science and Education Building; Martin House Restoration Corporation, interior restoration and completion on Phase V; and Amos Zittle & Sons, Inc., reconstruction of destroyed greenhouses.

The latest projects recommended by the Allocation Board are discussed below:

43 North LLC *Recommended Award Amount: \$6,000,000.*

43North LLC would continue to operate the world's richest business idea competition in 2016 by offering up to \$5M in awards to multiple business winners. The program would include global outreach through social media, in-person roadshows, and use of traditional media to promote 43North and business investment in the Buffalo-Niagara region. In addition, 43 North will incubate 2014, 2015 & 2016 competition winners in their Buffalo space in collaboration with local entrepreneur support organizations like Buffalo Niagara Partnership, Buffalo Niagara Enterprise, Leadership Buffalo, University at Buffalo, and others. 43North will also host a global audience during "43North Week" for the 2015 competition, which is held each year when the winners of the business idea competition are selected.

Tulip Molded Plastics Corporation *Recommended Award Amount: \$1,000,000.*

Tulip currently operates out of a 114-year-old; 125,000 square foot manufacturing facility is not equipped to accommodate future growth. The company plans to lease a 70,000 square foot, newly constructed building on land adjacent to its current facility in the City of Niagara Falls. Expenses associated with the \$10,355,305 project include building lease costs, relocation and installation of existing equipment, and the lease and installation of new manufacturing equipment. Tulip will commit to retain 11 full time jobs and create an additional 10 jobs over a period of time to be specified in a Funds Benefits Agreement. These jobs are over and above those committed for their hydropower allocation.

Martin House Restoration Corporation *Recommended Award Amount: \$700,000.*

The Darwin Martin House Complex, located in Buffalo, NY, suffered considerable damage after the extended Martin family vacated it in 1937 and in 1962 three of the original five buildings were demolished. The Complex had many owners from 1954 through 2002 when title was transferred to the Martin House Restoration Corporation (MHRC) in 1992 to oversee a complete restoration of the complex. In 1996 a five phase restoration project was commenced to return the Complex to its 1907 condition. To date Phases I-IV and a portion of Phase V of the restoration project has been completed. The applicant plans to complete the second half of Phase V of this project which entails interior restoration of the extensive wood trim and built-in cabinetry, paint and plaster finishes and re-creation of an elaborate fireplace mosaic in the Martin House.

D'Youville School of Arts, Sciences, and Education building *Recommended Award Amount: \$400,000.*

D'Youville plans to convert the former Gateway-Longview building at 605 Niagara Street in the City of Buffalo into a state-of-the-art School of Arts, Sciences, and Education building. All but 25,000 square feet of the original 60,000 square foot complex has been demolished, and the final structure will be comprised of 85,000 square feet of newly constructed and renovated

space. The complex will house nineteen laboratories and nine smart classrooms. This project will address the issues of the age and capacity of D'Youville's current science building, the lack of space on D'Youville's campus for Start-Up NY companies, and a large, vacant building on Niagara Street adjacent to, but not part of, D'Youville's campus.

Amos Zittel & Sons, Inc. *Recommended Award Amount: \$380,000.*

Completion of Phase II of the rebuild of two acres of new, state of the art greenhouses to replace those destroyed by a November 2014 snowstorm that hit WNY and caused several million dollars damage to the applicant's greenhouses, buildings, equipment and crops. Phases I and II of the project entail the construction of two acres of energy efficient greenhouses that will allow for the extended production of vegetables into the late summer and fall seasons. Upgraded greenhouse space will allow the applicant to grow finished crops of flowers for direct to market sale, as well as finished flowers and rooted liners that are wholesaled to independent garden centers. Plans include features that will allow the applicant to facilitate its transition to growing organic vegetable crops in the greenhouse to extend their growing season. The applicant plans to grow organic hot peppers, which have been requested by Wegmans and Tops Markets, and start other vegetable crops (valued at approximately over \$2MM), which are later transplanted to open fields. Supporting this project is expected to have the effect of preserving 25 full time equivalent ("FTE") positions and supporting applicant's ability to hire up to 5 additional FTEs.

In total, the latest projects recommended for funding awards are expected to result in investments by project applicants exceed \$51 million.

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 latest recommendations for proceeds awards stem from legislation signed into law by Governor Cuomo, known as the Western New York Power Proceeds Allocation Act. The legislation authorizes net earnings from the sale of unused hydropower from the NYPAs Niagara Hydroelectric Power Plant to be deposited into the Western New York Economic Development Fund (Fund) to support economic development in Western New York. The Fund has accrued approximately \$41 million to date. Approximately \$21 million from that amount has been approved for awards by the NYPA Trustees on the basis of earlier recommendations by the proceeds Allocation Board. These earnings are designated to spur capital investments and job growth.

The power proceeds board is comprised of the following members, appointed by Governor Cuomo: Chairman 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, an attorney with the law firm of Harris Beach, in Buffalo.

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