

NORTHERN NEW YORK POWER PROCEEDS ALLOCATION BOARD

**MINUTES
August 15, 2017 – 2:00 P.M.**

NYPA'S St. Lawrence – FDR Power Project
Frank S. McCullough, Jr. Hawkins Point Visitors Center
Conference Room
21 Hawkins Point Road
Massena, New York 13662

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Minutes of the Meeting of the Northern New York Power Proceeds Allocation Board held via video conference in Massena, New York.

Board Members Present:

Patrick Kelly (Chair)
Theresa Phalon
Robert McNeil
Roger Sharlow
Ian Maxwell

NYPA Staff Present:

Karen Delince	Corporate Secretary (<i>via video in White Plains</i>)
Patricia Wilson	Northern New York Project Manager
Richard Smith	Business & Project Development Director
Valerie Venuti	Administrative Assistant, Power, Transmission & Regulatory (<i>via video in White Plains</i>)
Karen White	Manager Community Relations, Northern New York
Bryan Morrell	Real Time Systems Engineer I

Opening Remarks

Chairman Kelly welcomed members of the Board, the staff of North County Regional Economic Development Council, and the staff of the New York Power Authority ("NYPA"). He stated that this meeting of the Board had been duly noticed as required by the Open Meetings law. The meeting was called to order at 2:00 p.m.

1. **Adoption of the August 15, 2017 Proposed Meeting Agenda**

Member McNeil made a motion to adopt the August 15, 2017 meeting agenda. The motion was seconded by member Phalon. The agenda was unanimously adopted.

Conflicts of Interest

Chairman Kelly stated that members had been polled prior to the meeting regarding possible conflicts of interest and wanted to disclose that he had familiarity and/or participation with one of the projects, through his role at IDA and River Valley Redevelopment Agency.

Member McNeil stated that those who have the familiarity should abstain from making a motion on the three projects that will be presented.

Member Phalon said that she, too, has a similar issue, with regard to her position on the Board of Trustees for the North Country Children's Museum.

2. **Adoption of the January 25, 2017 Meeting Minutes**

Chairman Kelly asked whether there were any amendments to the Minutes.

Upon motion made by member Phalon and seconded by member McNeil, the January 25, 2017 meeting minutes were unanimously adopted.

3. Fund Balance Update

Richard Smith submitted the following Northern New York Fund Update report, stating that a minimum of 15 percent of benefit awards are dedicated to energy-related projects, by statute.

As of

Northern New York Economic Development Fund Update¹ June-17

The Fund	
<i>this</i>	Total Deposits to the Fund to Date: \$2,382,000
<i>plus</i>	Total Interest Earned on Deposits to Date: \$6,099
=	Total Funds Deposited: \$2,388,099
Expenditures	
<i>this</i>	Total Funds Deposited: \$2,388,099
	Total Administrative Expenses Withdrawn: \$0
	Disbursements to Grantees: \$0
<i>plus</i>	Total Expenditures: \$0
=	Current Fund Balance: \$2,388,099
Awards	
<i>this</i>	Total Funds Deposited: \$2,388,099
	Standard Projects: \$0
	Energy Related Projects ² : \$0
<i>minus</i>	Total Fund Benefits Awarded³: \$0
=	Total Fund Benefits Available to be awarded by the NNYPPAB⁴: \$2,388,099
Energy-Related Projects	
<i>this</i>	Minimum Amount (15%) of the Fund Dedicated to Energy-Related Projects: \$357,300
<i>minus</i>	Total Awards (0%) Made for Energy-Related Projects to Date (not including today): \$0
=	Fund Benefits Currently Available to be Awarded for Energy-Related Projects Only: \$357,300
Today's Recommendations	
<i>this</i>	Standard Projects: \$400,000
<i>plus</i>	Energy-Related Projects or Project Components: \$0
=	3 Total Recommendations Before the NNYPPAB Today: \$400,000
St. Lawrence County Economic Development Power ("SLCEDP")	

Total Estimated Unallocated SLCEDP Available to Generate Net (MW)⁵:	20
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¹ The "Fund", known as the "Northern New York Economic Development Fund", is created and administered by the New York Power Authority ("NYPA"). It is funded with the aggregate excess of revenues ("Net Earnings") received by NYPA from the sale of unallocated St. Lawrence County Economic Development Power ("SLCEDP") produced at NYPA's St. Lawrence-FDR Power Project that is sold in the wholesale energy market over what revenues would have been received had such Power been sold on a firm basis to the Town of Massena Electric Department for Economic Development Purposes.

² As defined by the Northern New York Power Proceeds Allocation Act, a minimum of 15% of Fund Benefits shall be dedicated to "energy-related projects, programs and services". In accordance with EDL § 197-a(7), "energy-related projects, programs and services" means: (1) energy efficiency projects and services; (2) clean energy technology projects and services; (3) high performance and sustainable building programs and services; and (4) the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.

³ Funds awarded to applicants to the Fund who are recommended for an award by the NNYPPAB and approved by the NYPA Trustees are known as "Fund Benefits." Disbursement of Fund Benefits is subject to satisfaction of certain terms and conditions.

⁴ Total Fund Benefits Available to Be Awarded is calculated as Total Funds Deposited minus the sum of Total Fund Benefits Awarded and Total Administrative Expenses Withdrawn.

⁵ Unutilized St. Lawrence County Economic Development Power ("SLCEDP") consists of an estimate of unallocated hydropower. For the first five year following the effective date, the amount of SLCEDP used to generate excess earnings shall be the lesser of 20 MW or the amount of SLCEDP that has not been allocated. Beginning five years from the effective date, the amount of SLCEDP used to generate excess earnings shall be the lesser of 10 MW or the amount of SLCEDP that has not been allocated.

Chairman Kelly thanked Mr. Smith for the report.

4. Award of Fund Benefits from the Northern New York Economic Development Fund (Patricia Wilson)

Ms. Wilson, Northern New York Project Manager, submitted the following report and resolution for consideration and adoption:

“SUMMARY

The Northern New York Power Proceeds Allocation Board (“Allocation Board” or “Board”) is requested to recommend to the Board of Trustees of the Power Authority of the State of New York (“NYPA” or “Authority”) that awards of Fund Benefits be made to (1) Clarkson University (“Clarkson”), (2) Canexsys Networks, Inc. (“Canexsys”) and (3) the North Country Children’s Museum, Inc. (“NCCM”). The applicants’ projects and the amount of the awards recommended for each applicant are discussed in Exhibits “A-1”, “A-2”, and “A-3”, respectively.

BACKGROUND

1. *The Northern New York Power Proceeds Allocation Act*

On December 29, 2014, Governor Cuomo signed into law the Northern New York Power Proceeds Allocation Act (the “Act”). The Act adds provisions to two chapters of consolidated law, the Economic Development Law (“EDL”), and the Public Authorities Law within the Power Authority Act, the enabling statute of the New York Power Authority (“NYPA”) (collectively, the “Statutes”).

As discussed in more detail below, the Act creates a program, administered by NYPA and the Board, to support economic development in Northern New York (“Program”). Under the Program, financial assistance known as “fund benefits” (“Fund Benefits”) may be awarded to “eligible applicants” for “eligible projects” based on criteria set forth in the Statutes.

Under the Act, an “eligible applicant” is a private business, including a not-for-profit corporation that is a private business. “Eligible projects” is defined to mean “economic development projects” that are or would be physically located within St. Lawrence County that will support the growth of business in St. Lawrence County and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments. “Eligible projects” include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism and marketing and advertising efforts for St. Lawrence County tourism and business; and energy-related projects.

Eligible projects do not include, and Fund Benefits may not be used for, public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

2. *The Northern New York Economic Development Fund*

NYPA and the Town of Massena Electric Department (“Massena”) are parties to a contract that provides for NYPA’s sale of up to 20 megawatts (“MW”) of hydropower known as “St. Lawrence County Economic Development Power” (“SLCEDP”) to the Town. As detailed in the Statutes, NYPA is authorized to sell unallocated SLCEDP into the market to generate revenue for the Program. The Statutes provide that NYPA will deposit proceeds from such sales into the Fund no less than quarterly.

At least 15% percent of the Fund is dedicated to eligible projects which are “energy-related projects, programs and services,” which are defined as “energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.”

Monies from the Fund – Fund Benefits – are paid to awardees in the form of grants, and staff expects that in most cases, Fund Benefits will be disbursed as reimbursement for expenses incurred by an awardee. Allocations of Fund Benefits may only be made on the basis of monies that have been deposited in the Fund. No award may encumber funds that have not been deposited in the Fund.

3. Northern New York Power Proceeds Allocation Board

Under the Act, the Allocation Board’s primary responsibilities regarding applications for Fund Benefits under the Program are to (i) administer the application process, (ii) make determinations relating eligibility, and (iii) where an applicant and project are eligible, evaluate applications against the criteria in the Statutes, and make a recommendation to the NYPA Board of Trustees on whether an applicant should be awarded fund benefits. The Allocation Board uses the criteria based on criteria that are applicable to EP, RP and PP allocations, and for revitalization of industry, as provided for in Public Authorities Law § 1005.

Additionally, the Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the North Country Regional Economic Development Council (“NCREDC”), which covers the region in which an eligible projects may be proposed.

At its meeting on January 25, 2017, the Board, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. A copy of the relevant criteria (collectively, “Program Criteria”), adapted from this Board’s “Procedures for the Review of Applications for Fund Benefits,” is attached as Exhibit “B” to this memorandum.

The Board also defined “retail business” to mean “a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.”

Finally, the Board designated NYPA’s Economic Development Manager, North Country, to Act on behalf of the Board related to administrative matters.

4. Application Process

A webpage has been created that is hosted on WWW.NYPA.GOV/NNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by NYPA. A rolling application process is used and the Allocation Board meets regularly to consider applications for Fund Benefits.

DISCUSSION AND RECOMMENDATIONS

In this first round, the Allocation Board has before it three applications, which have been made available for Board review. Staff analyzed the applications and is now making recommendations to the Board.

As detailed in Exhibit “A-1”, the Clarkson application seeks Fund Benefits to support expanding its Damon Hall business incubator, which would include renovations to the building’s second and third floors. Clarkson would spend approximately \$300,000 on this phase of the project.

As Exhibit “A-2” explains, Canexsys’ application seeks Fund Benefits to support the purchase of machinery and equipment, inventory, furniture and fixtures, leasehold improvements, employee training and other costs related to its project to locate operations in Ogdensburg, NY. The applicant indicates it intends to create 29 jobs over the next three years and that it would spend approximately \$3,200,000 on this project.

The application discussed in Exhibit “A-3” shows that NCCM seeks Fund Benefits to purchase a building, make improvements, design and install exhibits and support other costs related to establishing a

permanent home for its traveling children's museum. The applicant indicates that it intends to create 3 jobs and that it would spend approximately \$740,000 on its project.

Based on a review of this application and consideration of relevant Program Criteria, Staff recommends that the Allocation Board recommend to the NYPA Trustees that these applicants receive an award of Fund Benefits in the amount indicated on Exhibits "A-1", "A-2" and "A-3", respectively.

To the extent these applications propose projects that must receive approval and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before the project may proceed, Staff recommends that any affirmative recommendation by the Board for such projects not be forwarded to the NYPA Board of Trustees for action until after the Board receives appropriate notification that all such approvals and requirements have been satisfied, and that such recommendations be made subject to further consideration by the Board in the event that such approvals and/or legal requirements are not satisfied.

PROJECT STATUS

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by NYPA. Upon a showing of good cause, NYPA has discretion to adopt the Allocation Board's recommendations or to award Fund Benefits in different amounts or on different terms than recommended by the Board. In addition, the Authority is authorized to include in any contract providing for the implementation of an award ("Award Contract") any terms and conditions that NYPA deems appropriate.

Given the preliminary stage of the projects identified in Exhibits "A-1", "A-2", and "A-3" Staff is not in a position to recommend proposed definitive terms and conditions that should be included in any Board recommendation for an award, but Exhibits "A-1", "A-2" and "A-3" offer general considerations relating to disbursement of fund benefits for NYPA's consideration. It is anticipated that NYPA staff, in consultation with Board Staff, would negotiate final terms and conditions if an award is made after the receipt of more detailed information concerning the project.

RECOMMENDATION

Based on the foregoing discussion and information, Staff recommends that the Allocation Board recommend to the NYPA Board of Trustees that the applicants listed in Exhibit "A-1", "A-2", and "A-3" receive an award of Fund Benefits in the amount recommended in the Exhibit for the project proposed.

For the reasons stated, Staff recommends the adoption of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

RESOLUTION

NOW THEREFORE BE IT RESOLVED, That the Northern New York Power Proceeds Allocation Board ("Allocation Board") hereby recommends that the Power Authority of the State of New York ("NYPA") make an award of Fund Benefits to the applicants listed in Exhibits "A-1", "A-2", and "A-3" in the amounts recommended therein, for the reasons set forth in the attached memorandum and any attachments thereto; provided that (i) if an application proposes a project that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before it may proceed, the recommendation for such application shall not be forwarded to NYPA until Staff, on behalf of the Board, receives appropriate notification that such legal approvals and/or requirements which are necessary for the project(s) to proceed have been satisfied, and (ii) such recommendations shall be subject to further Board review in the event that such approvals and/or legal requirements are not satisfied; and be it further

RESOLVED, That Staff is authorized on behalf of the Allocation Board to transmit the Board's decision and recommendations to NYPA subject to the qualification stated above regarding legal approvals and/or requirements, and to do any and all things and take any and all actions to effectuate the Board's decision and the foregoing resolution.

a. **Recommendation for Award**

Clarkson University (Exhibit A-1)

In the first of three projects for the Board's consideration, Ms. Wilson stated that Staff recommends an award of \$60,000 to Clarkson University (Clarkson) to transform the facility into usable incubator space. The 20,000 square feet of space was divided into three different projects, with a total cost of \$1.6 million dollars. The first two phases will focus on renovations, with the third phase encompassing this funding request, which will aid in the completion of the second and third floor renovations.

Clarkson's campus provides the only business incubation space available in the North Country. Existing incubator space is at full occupancy. Completion of this project will offer accessible incubator space and provide program growth opportunities.

This project is aligned with the Innovation/Entrepreneur Development Track. The project is consistent with the priorities of North Country Economic Development Council (namely attracting and nurturing entrepreneurs) and the St. Lawrence Economic Development study which encourages the entrepreneurial growth in the North County region.

Member Sharlow made the motion, and Member Maxwell seconded the motion, the resolution was adopted unanimously.

Canexsys (Exhibit A-2)

Staff recommends a fund benefit award of \$200,000 to Canexsys, the US division of Comtest Networks, which builds telephone equipment for a world-wide market, Ms. Wilson advised. This project will establish a US facility, double manufacturing capacity, integrate injection molding and surface-mount technology, and will allow Canexsys to deliver new product lines to telecom providers around the world.

As a result of this project, Canexsys will be able to hire 29 new employees, which will include 3 professional, 10-12 skilled technical and 14-16 labor positions, over the next three years. This project supports the effort to bring new business to St. Lawrence County.

Further benefiting the region, the products that Canexsys will export to Canada, will drive economic growth. This is aligned with the priorities of the North Country Regional Economic Development Council, which include encouraging growth and manufacturing industries and leveraging the gateways to Canada, offered Ms. Wilson.

A motion made by Member Phalon and seconded by Maxwell seconded was unanimously adopted.

North Country Children's Museum (Exhibit A-3)

Ms. Wilson said that staff recommends a fund benefit award of \$140,000 to North Country Children's Museum, which offers Science, Technology, Engineering, Arts and Math-oriented educational programs, for children aged 12 and under.

Part of the project will include purchasing a building; exhibit design, construction and renovation. Presently, there are no similar places within a two-hour radius, taking into account the children's museum in Canada, which poses a hardship to visit for some families.

The Museum is expected to attract more than 10,000 annual visitors, which will support the downtown Potsdam hotels, restaurants and shops, resulting in an economic impact of more than three times the museum's annual operating budget.

This project falls under the Tourism/Marketing track, supporting regional tourism, contributing approximately \$480,000 in additional revenue to local businesses and revitalizing Potsdam's Market Street. This aligns with the strategies of North Country Regional Economic Development Council, promoting tourism (while diversifying the economy), broadening arts and culture, and attracting an investment to revitalize communities.

Chairman Kelly commented that this project will help bolster Science and Technology enrichment for the children in the lower grades.

A motion was made by Member Maxwell and seconded by Member Sharlow. The resolution carried, with one abstention from Member Phalon.

Other business:

Member McNeil inquired if there are any other impending applications. Ms. Wilson advised that staff has one project, which is pending eligibility. There are also several others, in various phases of completion. Member McNeil asked whether those interested in the program know how to apply. Ms. Wilson replied that there are several ways, including their Economic Development Partners; via press releases regarding the project, and through networking. Ms. Wilson said she attends various meetings, where she meets people who have projects they would like to be considered for funding. Mr. Smith added that details of the program, spread by word of mouth, through the monthly meeting of the St. Lawrence Advisory Board.

Chairman Kelly reminded the members that all requests for information about the program should be directed to Ms. Wilson.

11. Next Meeting and Adjournment

Chairman Kelly stated that the next meeting of the Board is scheduled for October 11, 2017. He stated that if members have no additional business, he would entertain a motion to adjourn.

Upon motion, duly made and seconded, the meeting was adjourned at 2:21 p.m.

EXHIBIT A-1

Applicant Name:	Clarkson University ("Clarkson")	REDC Region:	North Country
Project Type:	Innovation/Entrepreneur Development	County:	St. Lawrence
Industry:	Colleges and Universities	Locality:	Potsdam
Amount Requested:	\$60,000	Start Date:	October 2017
		Finish Date:	June 2018
RECOMMENDED OFFER			
Recommended Total Award:		\$60,000	
Total Project Cost:		\$300,000	
% of Project Cost Recommended:		20%	
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Demolition/Construction	\$190,000	NNY EDF	\$60,000
Environmental Remediation	\$100,000	National Grid	\$100,000
Design/Planning	\$10,000	Northern Border Regional Commission	\$90,000
		Clarkson University	\$50,000
Total:	\$300,000	Total:	\$300,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:		The Funding Track under which the application was submitted does not require job-related commitments.	
Average Salary of Jobs:		n/a	
Indirect Jobs Created		n/a	
Other Impact			
PROJECT DESCRIPTION (Adapted from Application)			
Clarkson seeks funding to expand its business incubator program by completing the third and final phase of a \$1.6MM effort to renovate Damon Hall. The project, phase III, would restore the building's second and third floors, comprising 6,600 square feet, where Clarkson would add premium mixed-use space to house additional incubator businesses and provide food storage options (a challenge for many local food producers).			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
National Grid – Main Street Grant	\$100,000	Northern Border Regional Commission	\$90,000
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	
N/A	\$		
BASIS FOR RECOMMENDATION (Based on Application)			
Clarkson has a strong history of supporting entrepreneurial activity in the North Country as demonstrated by programming offered through its Shipley and Reh Centers and current incubator space. Clarkson's downtown campus currently provides the only incubator available to the region defined as from Plattsburgh to Watertown and including the Adirondacks. The applicant's two existing incubators are presently at or near full occupancy so the project will alleviate current space issues and provide program growth opportunities.			
The proposed project would restore a partially vacant building thereby supporting Potsdam's redevelopment, is consistent with the strategies and priorities of the North Country Regional Economic Development Council, which include attracting and nurturing entrepreneurs through innovation to catalyze the highest per capita rate of small business start-ups and expansions in the state, and would align well with the Economic Development Study recently completed by McKinsey and Company that calls for the region to energize its entrepreneurial eco-system.			
ANTICIPATED DISBURSEMENT TERMS			
Fund Benefits would be used to reimburse the applicant for a portion of costs associated with renovating the second and third floors of Damon Hall. It is anticipated that funds would be disbursed in arrears in a lump sum upon project completion, as evidenced by such documentation NYPA may require verifying project completion and applicant expenditures of approximately \$300,000.			

EXHIBIT A-2

Applicant Name:	Canexsys Networks, Inc. ("Canexsys")	REDC Region:	North Country
Project Type:	Business Investment	County:	St. Lawrence
Industry:	High speed Internet components manufacturer.	Locality:	Ogdensburg
Amount Requested:	\$200,000	Start Date:	June 2017
		Finish Date:	December 2017
RECOMMENDED OFFER			
Recommended Total Award:	\$200,000		
Total Project Cost:	\$3,210,000		
% of Project Cost Recommended:	6%		
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Machinery & Equipment	\$1,300,000	NNY EDF	\$200,000
Inventory	\$1,000,000	Debt Financing	\$1,400,000
Leasehold Imp./Working Capital	\$700,000	Company Equity	\$710,000
Employee Training	\$180,000	GMEDF	\$150,000
Furniture & Fixtures	\$30,000	RVRDA	\$150,000
		SLC IDA	\$150,000
		OGF	\$150,000
		NCEDF	\$300,000
Total:	\$3,210,000	Total:	\$3,210,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Applicant would create 29 full time equivalents at the project location over three years.		
Average Salary of Jobs:	n/a		
Indirect Jobs Created	n/a		
Other Impact			
PROJECT DESCRIPTION (Adapted from Application)			
<p>Canexsys is a recently-formed subsidiary of Comtest, a Canadian manufacturer of products that allow high speed Internet capability over existing coaxial and copper wire, thereby enabling such service to be provided in underserved markets where the cost of installing fiber networks is prohibitive. Canexsys seeks funding to establish its U.S. manufacturing facility in Ogdensburg, NY where it would produce telephony equipment, like DSL splitters and add plastic injection molding capabilities so that it can integrate molded and metal fabricated parts across its supply chain. The project would help Canexsys to add the machinery and equipment, furniture and fixtures, and inventory, and train 29 employees to manufacture products, in order for the company to meet increasing U.S. demand.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
Greater Massena EDF	\$150,000	River Valley Redev. Agency	\$150,000
St. Lawrence Co. IDA	\$150,000	Ogdensburg Growth Fund	\$150,000
North Country EDF	\$300,000		
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	
N/A	\$		
BASIS FOR RECOMMENDATION (Based on Application)			
<p>The project would support foreign direct investment in New York State (as opposed to Canadian or U.S. alternatives outside of NY) by helping a Canadian company locate to St. Lawrence County. Canexsys plans to hire 29 people over the next three years and provide them with the skills required to manufacture its products through an on-the-job training program. As Canexsys plans to ship injection molded parts to Canada, this project would support export activity, which would bring additional economic value to the region. The project would also align well with NCREDC strategies and priorities, which in part include energizing communities by building on growth in manufacturing industries and leveraging gateways to Canada.</p>			
ANTICIPATED DISBURSEMENT TERMS			
<p>Fund Benefits would be used to reimburse the applicant for costs associated with providing newly hired U.S. employees with the training required to manufacture products and for working capital. It is anticipated that funds would be disbursed in arrears in a lump sum upon project completion, as evidenced by such documentation NYPA may require verifying project completion and applicant expenditures of approximately \$3,210,000.</p>			

EXHIBIT A-3

Applicant Name:	North Country Children's Museum ("NCCM")	REDC Region:	North Country
Project Type:	Tourism/Marketing	County:	St. Lawrence
Industry:	Not-For-Profit	Locality:	Potsdam
Amount Requested:	\$140,000	Start Date:	July 2017
		Finish Date:	February 2018
RECOMMENDED OFFER			
Recommended Total Award:		\$140,000	
Total Project Cost:		\$740,000	
% of Project Cost Recommended:		19%	
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Exhibits (Design, Constr., Install.)	\$300,000	NNY EDF	\$140,000
Building Acquisition	\$200,000	Individual Donors, Foundations	\$355,000
Infrastructure (plumbing, ac, lighting)	\$85,000	Empire State Development	\$120,000
Demolition/Construction	\$75,000	RVRDA	\$75,000
Salaries & Wages (6 months)	\$45,000	National Grid	\$50,000
Supplies & Materials	\$30,000		
Office Furniture, Supplies, Computers	\$5,000		
Total:	\$740,000	Total:	\$740,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:		The Funding Track under which the application was submitted does not require job-related commitments.	
Average Salary of Jobs:		n/a	
Indirect Jobs Created		n/a	
Other Impact			
PROJECT DESCRIPTION (Adapted from Application)			
NCCM seeks funding to establish a permanent home for its children's museum through which it offers science, technology, engineering, arts and math (STEAM) oriented educational programming to children aged 12 and under and their families. The project includes the purchase of a building, exhibit design, construction and installation, building renovations and infrastructure upgrades and other costs.			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD Grants Program		\$120,000	National Grid Main Street Program
RVRDA CD/EIP Program		\$75,000	
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	
N/A	\$		
BASIS FOR RECOMMENDATION (Based on Application)			
<p>Since 2012, the NCCM has experienced visitation rates of approximately 3,000 people annually to its traveling Museum. Based on this significant response and a recently completed feasibility study, NCCM believes regional demand supporting the establishment of a permanent home for the museum is sustainable.</p> <p>The project would allow NCCM to provide its target market with cultural enrichment and opportunities to experience different STEAM oriented career roles through interactive exhibits and featuring:</p> <ul style="list-style-type: none"> • STEAM Power; • ADK Water Play; • Construction Zone; • Kids Co-op; • Early Childhood PlaySpace. <p>There is currently no similar U.S. offering within a two-hour radius of the proposed project's location (the closest children's museum is located in Canada and may be inaccessible to some families). The project would support regional tourism as the Applicant estimates 10,000 annual visitors to downtown Potsdam annually with approximately 20% comprised of tourists. The economic spinoff from children's museums to area restaurants, hotels, and shops is estimated at three times that of its annual operating costs.</p>			

The project would repurpose a vacant building thereby supporting Potsdam's redevelopment, be consistent with the strategies and priorities of the North Country Regional Economic Development Council, which include mobilizing student capacity through internship and work opportunities, promoting tourism as a pathway to diversifying the economy and attracting private investment that revitalizes communities, and align well with the economic development study recently completed by McKinsey and Company that calls for community revitalization and increased tourism.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the applicant for a portion of costs associated with construction and installation, building renovations and infrastructure upgrades and other costs. It is anticipated that funds would be disbursed in arrears in a lump sum upon project completion, as evidenced by such documentation NYPA may require verifying project completion and applicant expenditures of approximately \$740,000.