

WESTERN NEW YORK POWER PROCEEDS ALLOCATION BOARD

MINUTES

November 14, 2016 – 3:00 P.M.

Niagara Power Project Power Vista (Visitors Center)
5777 Lewiston Road
Lewiston, NY 14092

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

Board Members Present:

Anthony J. Colucci III (Chair)
Deanna Alterio Brennen
Dennis Elsenbeck (excused)
Brenda McDuffie
Henry F. Wojtaszek

NYPA Staff Present:

| | |
|----------------|----------------------------------------------------------------------------|
| Karen Delince | Corporate Secretary (<i>via video in White Plains</i>) |
| Keith Hayes | Vice President – Economic Development (<i>via video in White Plains</i>) |
| Melinda Li | Principal Attorney I, Finance and Bonds |
| Valerie Venuti | Administrative Assistant, Law Department |
| Carol Sampson | Community Relations Representative II |
| Richard Smith | Business & Project Development Director |
| Lou Paonessa | Senior Director, Community Affairs |

ESDC Staff Present:

| | |
|--------------|-----------------------------------------|
| Laura Magee | Deputy Director, Communications |
| Angela Rossi | Special Assistant to Regional President |

Outside Guests:

| | |
|--------------|-----------------------------------------------------------|
| Pattie Paul | Vice President, Masierro, Martucci & Calabrese |
| Rick Zabel | Director, Business Development – PostProcess Technologies |
| Neil E. Nolf | Representative of Niagara Air |

Opening Remarks

Chairman Colucci welcomed members of the Board, the staff of Empire State Development Corporation ("ESDC"), 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 3:10 p.m.

1. **Adoption of the November 14, 2016 Proposed Meeting Agenda**

Member McDuffie made a motion to adopt the November 14, 2016 meeting agenda. The motion was seconded by member Wojtaszek. The agenda was unanimously adopted.

Conflicts of Interest

Chairman Colucci stated that members had been polled prior to the meeting regarding possible conflicts of interest and all indicated they did not have any conflicts.

2. Adoption of the June 21, 2016 Meeting Minutes

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

Upon motion made by member Wojtaszek and seconded by member Brennen, the June 21, 2016 meeting minutes were unanimously adopted.

3. Adoption of the 2017 Proposed Schedule of Meetings

Upon motion made by member Brennen and seconded by member McDuffie, the Board adopted the following 2017 meeting schedule:

February 7 at 3pm at NYPA Buffalo Office
April 4 at 3pm at NYPA Niagara Power Vista
June 6 at 3pm at NYPA Buffalo Office
August 1 at 3pm at NYPA Niagara Power Vista
October 3 at 3pm at NYPA Buffalo Office

4. Fund Balance Update

Richard Smith submitted the following October 2016 Western New York Economic Development Fund Update report:

| Western New York Economic Development Fund Update ¹ | | As of October-16 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------|
| The Fund | | |
| <i>this</i> | Total Deposits to the Fund to Date: | \$41,031,000 |
| <i>plus</i> | Total Interest Earned on Deposits to Date: | \$156,909 |
| = | Total Funds Deposited: | \$41,187,909 |
| Expenditures | | |
| <i>this</i> | Total Funds Deposited: | \$41,187,909 |
| | Total Administrative Expenses Withdrawn: | \$0 |
| | Disbursements to Grantees: | (\$19,149,924) |
| <i>plus</i> | Total Expenditures: | (\$19,149,924) |
| = | Current Fund Balance: | \$22,037,984 |
| Awards | | |
| <i>this</i> | Total Funds Deposited: | \$41,187,909 |
| | Standard Projects: | \$29,464,998 |
| | Energy Related Projects ² : | \$3,128,320 |
| <i>minus</i> | Total Fund Benefits Awarded³: | \$32,593,318 |
| = | Total Fund Benefits Available to be awarded by the WNYPPAB⁴: | \$8,594,591 |
| Energy-Related Projects | | |
| <i>this</i> | Minimum Amount (15%) of the Fund Dedicated to Energy-Related Projects: | \$6,154,650 |
| <i>minus</i> | Total Awards (8%) Made for Energy-Related Projects to Date (not including today): | \$3,128,320 |
| = | Fund Benefits Currently Available to be Awarded for Energy-Related Projects Only: | \$3,026,330 |
| Today's Recommendations | | |
| <i>this</i> | Standard Projects: | \$2,490,000 |
| <i>plus</i> | Energy-Related Projects or Project Components: | \$0 |
| = | 3 Total Recommendations Before the WNYPPAB Today: | \$2,490,000 |
| Expansion Power ("EP") and Replacement Power ("RP") Summary | | |
| <i>this</i> | Estimated Unallocated EP and RP to Date (MW): | 112 |
| <i>plus</i> | Estimated Allocated but Unused Hydropower to Date (MW) ⁵ : | 36 |
| = | Total Estimated Unutilized EP and RP to Date (MW)⁶: | 148 |
| <p>¹ The "Fund", known as the "Western 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 Expansion Power ("EP") and Replacement Power ("RP") produced at NYPA's Niagara 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 an eligible EP or RP customer.</p> | | |
| <p>² As defined by the Western 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 § 189-a(6), "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.</p> | | |
| <p>³ Funds awarded to applicants to the Fund who are recommended for an award by the WNYPPAB and approved by the NYPA Trustees are known as "Fund Benefits." Disbursement of Fund Benefits is subject to satisfaction of certain terms and conditions.</p> | | |
| <p>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.</p> | | |
| <p>⁵ The NYPA Trustees may allocate EP or RP to eligible companies. Such customers may use the entire allocation, or such customers may "take down" only a portion of the allocation based on their needs at the time. EP and RP that is unallocated, or that is allocated but not taken down, is eligible to be used for WNYEDF "Net Earnings".</p> | | |
| <p>⁶ Unutilized EP and RP consists of an estimate of both unallocated hydropower and allocated hydropower that has not been taken down by customers.</p> | | |

Chairman Colucci thanked Mr. Smith for the report.

5. Award of Fund Benefits from the Western New York Economic Development Fund – Round 17

Christopher Schoepflin, Regional Director - Empire State Development, Western New York, submitted the following report and resolution for consideration and adoption:

“SUMMARY

The Western 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 the following applicants: (1) 43N, LLC (“43North”); (2) PostProcess Technologies LLC (“PPT”); and (3) CL New Co., Inc. dba Campus Labs (“Campus Labs”). 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. Western New York Power Proceeds Allocation Act

On March 30, 2012, Governor Cuomo signed into law the Western New York Power Proceeds Allocation Act (the “Act”). The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund (“Fund”). The Fund consists of the aggregate excess of revenues received by the Authority from the sale of Expansion Power (“EP”) and Replacement Power (“RP”) produced at NYPA’s Niagara Power Project that was sold in the wholesale energy market over what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract.

Under the Act, an “eligible applicant” is a private business, including a not-for-profit corporation. “Eligible projects” is defined to mean “economic development projects by eligible applicants that are physically located within the state of New York within a thirty mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state 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 for fund benefits; 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 western New York state tourism and business; and energy-related projects.

Eligible projects do not include 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.

Fund Benefits have been provided to successful eligible applicants in the form of grants. It is anticipated that Fund Benefits will be disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project, or for proposed eligible expenditures to be incurred by the eligible applicant for an eligible project when NYPA has authorized advance disbursements.

At least 15% percent of the Fund is dedicated to eligible projects which are “energy-related projects, programs and services,” which is 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.”

Allocations of Fund Benefits may only be made on the basis of moneys that have been deposited in the Fund. No award may encumber funds that have not been deposited in the Fund.

2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, evaluating the merits of applications for Fund Benefits, and making recommendations to NYPA on Fund Benefit awards. The Allocation Board uses the criteria applicable to EP, RP and PP allocations, and for revitalization of industry, 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 Regional Economic Development Council having responsibility for the region in which an eligible project is proposed.

At its meeting on March 4, 2013, 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 the Western New York Regional Director for Empire State Development (“ESD”) to act on its behalf for administrative matters and along with NYPA, to provide staff services (“Staff”). Among other things, Staff was authorized to perform analyses of applications seeking Fund Benefits and to make recommendations to the Board on the applications.

3. Application Process

Initially, the Allocation Board established a series of application due dates coupled with a schedule of dates the Board expected to meet to consider applications. The program was initially promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, ESD and local and regional economic development organizations within the State. A webpage was created that is hosted on WWW.NYPA.GOV/WNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by the Western New York Empire State Development regional office. As the program is now well-known, a rolling application process is used and the Allocation Board meets regularly to consider applications for Fund Benefits.

DISCUSSION AND RECOMMENDATIONS TO THE BOARD

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

As detailed in Exhibit “A-1”, the 43N application seeks Fund Benefits to support its business competition, mentoring and incubation program for 2017 and 2018. 43N has indicated a total project cost of approximately \$15,300,000 associated with this project.

As Exhibit "A-2" explains, PPT's application seeks Fund Benefits to purchase demonstration equipment for a training and benchmarking lab which the applicant states will help expedite sales related to finishing large metal parts. The applicant indicates the project will support the retention of 12 and creation of 9 new jobs over the next seven years. PPT has indicated it would spend approximately \$602,500 on its project.

The application discussed in Exhibit "A-3" shows that Campus Labs seeks Fund Benefits to support the reconstruction of office space in a mostly vacant building to create its local headquarters in Buffalo. The applicant indicates the project will support the retention of 101 and creation of 75 new jobs over the next five years, and that it would spend approximately \$4,130,000 on its project.

Based on a review of these applications and consideration of relevant Program Criteria, Staff recommends that the Allocation Board recommend to the NYPA Trustees that these applicants receive awards of Fund Benefits in the amounts 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 Exhibits "A-1", "A-2" and "A-3" receive an award of Fund Benefits in the amounts recommended in the Exhibits for the projects 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 Western 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

43 North LLC (“43North”)

Mr. Schoepflin said that staff recommends a fund benefit award of \$2,000,000 to 43 North, for the 2017 and 2018 competitions. If approved this afternoon, 13% of the total project cost will be covered, with primary funding through ESD. This project aligns with the entrepreneurial strategy of the Western New York Regional Economic Development Council, as well as Governor Cuomo’s Buffalo Billion investment development plan. 43 North is a catalyst for entrepreneurship and business investment in Western New York, attracting entrepreneurs and capital investment in Buffalo, as well as enhancing the region’s image, as an attractive place for startup businesses to be located.

Member Brennen inquired if there will be a follow-up, after this year’s awards are distributed. Mr. Smith replied that he thought it best if John (43 North) give a presentation regarding the update.

Chairman Colucci recommended that this item be put on the agenda for subsequent meetings.

Upon motion made by member McDuffie and seconded by member Wojtaszek, the Board unanimously adopted the resolution to award fund benefits to 43North in the amount of \$200,000. (Exhibit “A-1”)

PostProcess Technologies LLC (“PPT”)

Mr. Schoepflin said that staff is recommending a benefit award of \$90,000 to Post Process Technologies LLC (“PPT”) for the purchase of demonstration equipment to build a training and benchmarking lab that will help the company promote sales for finishing large metal parts within the manufacturing process. If the Power Proceeds Board approves the staff recommendation amount of \$90K, that will equate to 20% of total project cost. The project will help the applicant raise awareness about their automated process, keeping pace with a rapidly growing industry; in addition to retaining 12 jobs and creating nine new positions.

Upon motion made by member Brennen and seconded by member Wojtaszek, the Board unanimously adopted the resolution to award fund benefits to PPT in the amount of \$90,000. (Exhibit "A-2")

CL New Co., Inc. dba Campus Labs ("Campus Labs")

Mr. Schoepflin said that staff is recommending a benefit award of \$90,000 to Post Process Technologies LLC ("PPT") for the purchase of demonstration equipment to build a training and benchmarking lab that will help the company promote sales for finishing large metal parts within the manufacturing process. If the Power Proceeds Board approves the staff recommendation amount of \$90K, that will equate to 20% of total project cost. The project will help the applicant raise awareness about their automated process, keeping pace with a rapidly growing industry; in addition to retaining 12 jobs and creating nine new positions.

Upon motion made by member McDuffie and seconded by member Brennen, the Board unanimously adopted the resolution to award fund benefits to Campus Labs in the amount of \$400,000. (Exhibit "A-3")

6. Board Resolution: Henry Wojtaszek

Chairman Colucci presented Henry Wojtaszek with the following Board Resolution to thank him for his service:

RESOLUTION

Whereas, Henry Wojtaszek has served as a member of the Western New York Power Proceeds Allocation Board since its inception, helping to enhance the business landscape by directing funds to economic development, workforce and tourism initiatives in Western New York; and

Whereas, as a respected community leader who spent much of his life in public service, Mr. Wojtaszek is now recognized for his role in making decisions regarding the Western New York Economic Development Fund, supported by the sale of unused Expansion and Replacement electricity from the New York Power Authority's (NYPA) Niagara hydroelectric power plant; and

Whereas, Mr. Wojtaszek has a clear understanding of the importance of promoting entrepreneurship and advancing manufacturing, agriculture, workforce development and tourism in order to create sustainable economic and inclusive job growth for Western New York; and

Whereas, Mr. Wojtaszek has shown responsibility and judgment in considering issues and voting to recommend awards to the NYPA Board of Trustees that are consistent with the strategies and priorities set by the Western New York Regional Economic Development Council; and

Whereas, Mr. Wojtaszek's experience as private counsel, North Tonawanda city attorney, Niagara County GOP chairman and general counsel (now president and CEO) of the Western Regional Off-Track Betting Corp. has shown him to be a passionate and forward-thinking professional who has made significant contributions throughout Niagara County; and

Whereas, stepping down after three years of service, Mr. Wojtaszek has played a role in the approval of 38 projects, distribution of \$32.6 million in awards, and creation and retention of more than 1,700 jobs since inception of the Western New York Power Proceeds Allocation Board; and

Now Therefore Be It Resolved, that the Western New York Power Proceeds Allocation Board conveys its deepest thanks and appreciation to Henry Wojtaszek for his service and that he, his wife, Caroline, and three children, are wished the best as they look forward to new endeavors.

Upon motion made by member Brennen and seconded by member McDuffie, the Board unanimously adopted the Board Resolution.

7. **Next Meeting and Adjournment**

Chairman Colucci stated that the next meeting of the Board is scheduled for February 7 at 3pm at NYPA Buffalo Office. 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 3:29 p.m.

EXHIBIT A-1

| | | | |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------|
| Applicant Name: | 43 North LLC ("43North") | REDC Region: | Western New York |
| Project Type: | Innovation/Entrepreneur Development | County: | Erie & Niagara |
| Industry: | Innovation/Entrepreneur Development | Locality: | City of Buffalo |
| Amount Requested: | \$2,000,000 | Start Date: | November 1, 2016 |
| | | Finish Date: | December 31, 2019 (including incubator support) |
| RECOMMENDED OFFER | | | |
| Recommended Total Award: | | Up to \$ 2,000,000 (for 2017 and 2018 competitions) | |
| Total Project Cost: | | Approximately \$15,300,000 (for 2017 and 2018 competitions) | |
| % of Project Cost Recommended: | | Up to 13 % | |
| PROJECT BUDGET (Proposed by Applicant) | | | |
| Use of funds | Amount | Source of Funds | Amount |
| Salaries & Wages | \$2,100,000 | WNY EDF (for 2017 & 2018 competitions) | |
| Rent/Lease, Incubator Space | \$200,000 | Up to | \$2,000,000 |
| Marketing, Finals Weeks, Travel, Professional Services, Operating Cost of Incubator | \$3,000,000 | Committed: ESD | \$10,000,000 |
| Awards to Winners (for 2017 & 2018 competitions) | \$10,000,000 | Potential: Various Sponsors | \$3,300,000 |
| Total: | \$15,300,000 | Total: | \$15,300,000 |
| REGIONAL IMPACT MEASUREMENTS | | | |
| Job Commitments: | The Funding Track under which the application was submitted does not require job-related commitments. Nevertheless, supporting this project is expected to have the effect of preserving approximately 5 full time positions. | | |
| Average Salary of Jobs: | N/A | | |
| Indirect Jobs Created | TBD based on competition winners establishing a long term presence (greater than one year) in the Buffalo-Niagara region. | | |

EXHIBIT A-2

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------|------------------|
| Applicant Name: | PostProcess Technologies LLC ("PPT") | REDC Region: | Western New York |
| Project Type: | Business Investment | County: | Erie |
| Industry: | Post processing of 3-D printed parts | Locality: | Buffalo |
| Amount Requested: | \$120,500 | Start Date: | December 2016 |
| | | Finish Date: | August 2017 |
| RECOMMENDED OFFER | | | |
| Recommended Total Award: | \$90,000 | | |
| Total Project Cost: | \$602,500 | | |
| % of Project Cost Recommended: | 15% | | |
| PROJECT BUDGET (Proposed by Applicant) | | | |
| Use of funds | Amount | Source of Funds | Amount |
| Machinery + Equipment | \$602,500 | WNY EDF | \$120,500 |
| | | Cash Equity | \$482,000 |
| Total: | \$602,500 | Total: | \$602,500 |
| REGIONAL IMPACT MEASUREMENTS | | | |
| Job Commitments: | Applicant will retain 12 full time equivalents ("FTE") and create 9 FTE positions over seven years. | | |
| Average Salary of Jobs: | \$60,000 | | |
| Indirect Jobs Created | | | |
| Other Impact | | | |
| PROJECT DESCRIPTION (Adapted from Application) | | | |
| <p>PPT is an early stage company that has developed patent-pending high frequency surface machines, detergents, abrasives, polishers and other agents to automate the finishing of 3-D printed parts, currently conducted through manual approaches. Its method delivers consistent results, is scalable and removes post-processing bottlenecks thereby providing significant productivity gains in the form of reduced labor costs and process times. As demand for 3-D printed metal parts grows manufacturers are seeking efficient, cost effective methods for meeting large scale production. PPT's line of machines can accommodate more than 1,200 different 3-D print materials and today it is working with customers representing a variety of industries including automotive, aerospace, dental, defense, medical and manufacturing.</p> <p>PPT is requesting fund benefits to purchase demonstration equipment for a training and benchmarking lab that will help promote sales for finishing large metal parts. Effective sales approaches require PPT to demonstrate the productivity improvement gains possible as compared to current and expensive manual methods that rely on picks, brushes, wires and sanding to finish products. Having large surface finishing and support removal machines in house will significantly improve turnaround times, allow for more customer research and development and growth that keeps pace with a rapidly developing industry.</p> <p>PPT is a Start-Up NY participant and operates from 1170 Main Street in Buffalo where it warehouses products and test machines that are manufactured locally. It is co-located with the Olmsted Center for Sight and hire the visually impaired to assist in helping with media packaging and machine shipping and recently running machines and finishing parts.</p> <p>PPT looks to make WNY a 3-D manufacturing hub and is working with UB and other local universities to develop course work and degrees that allow them to hire key additive manufacturing (3-D), mechanical, chemical, process and application engineering talent at attractive salaries and conduct ongoing research & development as printer technology changes, new input materials are used and post processing methods and systems emerge so that PPT can remain an industry leader.</p> | | | |
| OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED | | | |
| ESD: | Start-Up NY | NYS Office of Community Renewal: | N/A |
| Economic Dev. Loan: | N/A | Other: | |
| PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED | | | |

| TYPE | AMOUNT | STATUS |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| N/A | \$ | |
| BASIS FOR RECOMMENDATION (Adapted from Application) | | |
| <p>PPT is a small, early stage company that is a first mover of automated technology for the post processing of 3-D manufactured parts. It has ambitious plans that include making WNY a 3-D manufacturing hub but currently requires significant amounts of working capital to sustain operations, attract talent and maintain competitive position as sales ramp up.</p> <p>PPT recently hired an outside CEO with a demonstrated track record for driving significant growth in two emerging technology companies. To position the company to compete in the emerging 3-D printed parts industry PPT will need to maintain an aggressive growth trajectory that calls for adding a substantial number of employees. An award of fund benefits will allow PPT to deploy existing financial resources to meet working capital needs, add jobs to support its strong growth objectives and continue establishing its strong market position.</p> <p>The project aligns well with REDC strategies and other regional support for the 3-D industry, such as the area's universities and the recent addition of a large 3-D printer installed at Buffalo Manufacturing Works.</p> | | |
| ANTICIPATED DISBURSEMENT TERMS | | |
| <p>Fund Benefits would be used to reimburse the applicant for a portion of costs associated with new machinery and equipment. It is anticipated that funds will be disbursed in arrears in a manner that is proportionate to the total for eligible expenses. Payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately \$600K and is compliant with job commitments.</p> | | |

EXHIBIT A-3

| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------|--------------------|
| Applicant Name: | CL New Co., Inc. dba Campus Labs ("Campus Labs") | REDC Region: | Western New York |
| Project Type: | Business Investment | County: | Erie |
| Industry: | College Data Analytics Software | Locality: | Buffalo |
| Amount Requested: | \$400,000 | Start Date: | November 2016 |
| | | Finish Date: | March 2017 |
| RECOMMENDED OFFER | | | |
| Recommended Total Award: | | \$400,000 | |
| Total Project Cost: | | \$4,130,000 | |
| % of Project Cost Recommended: | | 10% | |
| PROJECT BUDGET (Proposed by Applicant) | | | |
| Use of funds | Amount | Source of Funds | Amount |
| Hard Costs | \$2,765,000 | WNY EDF | \$400,000 |
| Furniture & Fixtures | \$400,000 | Developer | \$2,350,000 |
| Equipment | \$320,000 | Cash Equity | \$970,000 |
| Training | \$250,000 | Developer (Potential) | \$410,000 |
| Demolition | \$160,000 | | |
| Architectural Design | \$150,000 | | |
| Soft Costs | \$85,000 | | |
| Total: | \$4,130,000 | Total: | \$4,130,000 |
| REGIONAL IMPACT MEASUREMENTS | | | |
| Job Commitments: | Applicant will retain 101 full time equivalents ("FTE") and create 75 FTE positions over five years. | | |
| Average Salary of Jobs: | \$72,000 | | |
| Indirect Jobs Created | | | |
| Other Impact | | | |
| PROJECT DESCRIPTION (Adapted from Application) | | | |
| <p>In 2001, Campus Labs (formerly Student Voice) was formed by two SUNY Buffalo students who won a business plan competition for their idea to form a company and develop software to collect information from students that could be used to impact programs and services. Since that time, Campus Labs has evolved from serving one campus to over 1,000. Campus Labs quickly became the leading platform and service provider for assessment in higher education. Campus Labs provides the only specialized, comprehensive assessment program that combines data collection, reporting, organization, and campus-wide integration.</p> <p>In 2012, Campus Labs was acquired by Higher One, Inc., located in New Haven, CT. Higher One was founded by three Yale students to streamline critical campus business office processes for colleges and universities and serves over 830 campuses across the country. Higher One grew Campus Labs' revenue at a compounded annual growth rate of ~21%, however the executive team recognized that its core expertise was in serving college business offices and made plans to divest Campus Labs. In October, 2015 Higher One reached an agreement to sell Campus Labs to Leeds Equity Partners for approximately \$91 million cash.</p> | | | |

After being acquired for a second time and to accommodate plans for continued growth Campus Labs local founders are pursuing a long term presence by locating in more efficient space in Western New York. Campus Labs has identified a mostly vacant, underutilized building located at 298 Main Street in downtown Buffalo as ideal for establishing its local headquarters. The building is situated in the central business district, but currently lacks street presence and urban activity due to its underutilization. Renovations will include floor plan and electrical system upgrades to modernize commercial space and facilitate software development activities and the addition of an internal courtyard structure to allow for improved circulation. The building has been identified by the City's Office of Strategic Planning as attractive for redevelopment and would be transformed into a high-tech hub with Campus Labs as the anchor tenant.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

| | | | |
|---------------------|-----------------------|----------------------------------|-----|
| ESD: | \$2,000,000 Excelsior | NYS Office of Community Renewal: | N/A |
| Economic Dev. Loan: | N/A | Other: | N/A |

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

| TYPE | AMOUNT | STATUS |
|------|--------|--------|
| N/A | \$ | |

BASIS FOR RECOMMENDATION (Adapted from Application)

Approximately 15 years ago Campus Labs was created and began growing and innovating in Buffalo with the assistance of local stakeholders. Since then the value of the business has grown such that it was acquired two times since 2012. To some, it serves as an anchor for the growth of Buffalo's technology ecosystem. An award of fund benefits helps Campus Labs to maintain a presence in its birthplace, creates potential to significantly impact Buffalo by reviving a nearly vacant building in the City's central business district, supports the addition of new housing, creates walkability, facilitates the use of alternative transportation modes and offers job retention and creation at very attractive salaries.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the applicant for a portion of costs associated with the construction portion of the project. It is anticipated that funds will be disbursed in arrears in a manner proportionate to the total for eligible expenses. Payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately \$4.1 million and is compliant with job commitments.

EXHIBIT B

Criteria adapted from the Western NY Power Proceeds Allocation Board's
"Procedures for the Review of Applications for Fund Benefits"

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.¹ The Western New York Regional Economic Development Council which is responsible for Eligible Projects in Erie and Niagara Counties Strategies & Priorities are:

- Promote "Smart Growth" by investing in areas that infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
 - Promote workforce development by increasing diversity in the labor force, developing and cultivating that includes workers with advancement potential, underemployed, unemployed and special population; align education and skills training to job market for current and future industry needs.
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- Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new startups in strategic industries and facilitates the commercialization of products that can lead to job growth in the Region.
 - Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products; creating new more efficient processes; creating strong regional brands; creating programs that promote careers in agriculture.
 - Utilize Western New York's proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will: utilize cross-border planning to create transportation and logistical infrastructure; improve operational relationships; promote the attractiveness of WNY as a hub for global trade.
 - Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.
 - Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.
 - Spur growth in the health and life sciences industry through improved commercialization, recruit high profile research talent and reducing the cost burden of healthcare while improving health outcomes.
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¹ As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

- Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups which will assist start-ups with commercialization, business planning, workforce preparation, facilities, etc.
- Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to <http://regionalcouncils.ny.gov/content/western-new-york>.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council (“REDC”) having responsibility for the region in which an Eligible Project is located.² The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: <http://regionalcouncils.ny.gov/content/finger-lakes>.
3. The number of jobs that would be created as a result of an award of Fund Benefits.
4. The applicant’s long term commitment to the region as evidenced the current and/or planned capital investment in applicant’s facilities in the region.
5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.
6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.
7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.
8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.
9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.
10. The growth potential of the applicant’s facilities and the contribution of economic strength to the area in which the applicant’s facilities are or would be located.
11. The extent of the applicant’s willingness to satisfy affirmative action goals.
12. The extent to which an award of Fund Benefits is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located.
13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.

² As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, “revitalization” projects.

15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
 16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.
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