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Power Proceeds Allocation Board Recommends \$2.49 Million in Funding for Business and Entrepreneurial Investment in WNY

The Western New York Power Proceeds Allocation Board (WNYPPAB) voted today to recommend \$2,490,000 in funding to three entities in the region, including Campus Labs, 43North and PostProcess Technologies. The WNYPPAB recommendations capitalize on the business and entrepreneurial investment strategies laid out in the Western New York Regional Economic Development Council (WNYREDC) strategic plan and the Buffalo Billion Investment Development Plan. WNYPPAB's recommendations are expected to be considered by the New York Power Authority Board of Trustees at its December 15 meeting.

"The funding award recommendations by the Western New York Power Proceeds Allocation Board support projects that will expand innovation and investment in our region," said Western New York Power Proceeds Allocation Board Chairman Anthony J. Colucci III. "Western New York is transforming into a high-tech hub with successful entrepreneurs leading the way. I am proud that the Power Proceeds Board supports these important projects."

Details of the latest projects recommended by the Allocation Board are discussed below:

Campus Labs

Recommended Award Amount: \$400,000

Campus Labs, the leading platform and service provider for assessment in higher education, may continue its growth in Buffalo, adding 75 new jobs to its existing 101 positions in Buffalo. In October 2015, Campus Labs was sold to Leeds Equity Partners, LLC. After being acquired 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 at 298 Main Street in downtown Buffalo as ideal for establishing its headquarters. Renovations would include floor plan and electrical system upgrades to modernize commercial space and facilitate software development activities. Since 2001, Campus Labs has evolved from serving one campus to more than 1,000 campuses and quickly became the leading platform and service provider for

assessment and data analytics in higher education. Empire State Development, the state's economic development agency, has also awarded Campus Labs up to \$2 million in performance-based Excelsior Jobs Program tax credits in return for job creation commitments.

43North

Recommended Award Amount: \$2,000,000

43North is a catalysts for entrepreneurship and business investment in Western New York, attracting entrepreneurs and venture capital investment to Buffalo from around the world, as well as enhancing Buffalo's image as an attractive place for start-ups to locate. Power Proceeds funding will help continue to operate the world's largest business plan competition in 2017 and 2018. The continuation of this program has the potential to result in creating several direct new start-ups in Buffalo, including "trailing" semi-finalists who choose to start their business and venture capitalists who invest in Buffalo due to the pool of growing start-ups. This, in turn, could catalyze direct and indirect job growth, and aligns with the WNYREDC to support entrepreneurial development. The fund benefits would be used to reimburse 43North for working capital.

PostProcess Technologies

Recommended Award Amount: \$90,000

PostProcess Technologies (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. With this \$602,000 project, PPT will retain 12 jobs and create nine new jobs. As demand for 3-D printed metal parts grows, manufacturers are seeking efficient, cost effective methods for meeting large scale production. PPT, a StartUp NY company, is requesting fund benefits to purchase demonstration equipment for a training and benchmarking lab that will help promote sales for finishing large metal parts. The company is looking to make Western New York a 3-D manufacturing hub. The fund benefits would be used for a portion of costs associated with new machinery and equipment.

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 NYPA's 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 \$32.6 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 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 council. 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 power proceeds board is comprised of the following members, appointed by Governor Cuomo: Chairman Anthony Colucci III, 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 of National Grid Western Division; and Henry F. Wojtaszek, President and CEO of Off Track Betting of Western New York.

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