

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

CASE 17-E- & CASE 17-G-

BUSINESS DEVELOPMENT PANEL

SCHEDULE OF EXHIBITS

ECONOMIC DEVELOPMENT FUND BALANCES (BDP-1)

ECONOMIC DEVELOPMENT PROGRAMS (BDP-2)

Central Hudson Gas & Electric Corporation
Case 17-E-_____ & Case 17-G-_____
 Economic Development Fund Balances

Economic Development Funding Sources	10/3/02- 6/30/17 (000s)
Generating Plant Divestiture Customer Benefit Fund (October 2002)	\$11,000
Fortis Acquisition Customer Benefit Fund (November 2013)	\$5,000
Economic Development Program Deferral (09-E-0588/09-G-0589)	\$900
	\$16,900

Economic Development Expenditures	10/3/02- 6/30/17 (000s)
Programs	
Regional Marketing	\$8,535
Substation Credit*	\$1,133
Retention	\$425
Shovel Ready	\$1,293
Job Creation (<i>Attraction/Expansion</i>)	\$84
Revitalization*	\$68
Wired Buildings	\$380
Building Revitalization	\$400
Main Street Revitalization	\$725
	\$13,043

Economic Development Fund Balance (000s)	
Economic Development Funds thru 6/30/2017	\$16,900
Total expended from inception to 6/30/2017	(\$13,043)
Fund Balance as of 6/30/17	\$3,857

*Substation Credit and Revitalization are legacy programs that are not available in Central Hudson's current economic development suite of programs.

Central Hudson Gas & Electric Corporation
Case 17-E-____ & Case 17-G-____
Economic Development Programs

The Order Modifying Economic Development Plan effective November 20, 2013 as part of Case 12-M-0192 established the criteria for Central Hudson's current suite of economic development programs including: Shovel Ready Sites, Wired Innovation Centers, Job Creation-Attraction, Job Creation-Expansion, Revitalization of Buildings, Business Retention for Manufacturers, Regional Marketing, and Main Street Revitalization. The following is an overview of each of the programs.

SHOVEL-READY SITES

One of the most critical limitations that the service territory confronts is the lack of shovel-ready sites for qualified, high-technology industrial and manufacturing users. Although Central Hudson has had a shovel-ready funding program for "hard costs" associated with getting a site to shovel-ready status, the greatest barrier has been on the availability of dollars for "soft costs" associated with the planning and approval processes. Hard costs generally include the costs for trenching and related utility build out of the infrastructure. Soft costs usually include planning studies and environmental impact statement approvals. The criteria for the program is:

- Up to \$200,000 per site for the SEQRA approval process only. Limit \$200,000 per site on soft costs and funding cannot constitute more than 33% of overall project costs.

- Owners of the site must contribute at least 50% of the total project soft costs.
- Up to \$200,000 per site for utility infrastructure improvements to the site up to 33% of total utility project costs.
- Owners of the site must contribute at least 50% of the project utility hard costs.
- Funding for both hard and soft costs are reimbursed to applicant upon completion of the project.
- Maximum expenditure is \$300,000 per site for both soft and hard costs.
- In order to receive funding, applicants must receive written approval from Central Hudson **prior** to beginning the project work. Central Hudson will not reimburse for work started prior to written approval.

WIRED INNOVATION CENTERS

Creating the jobs of the future in this difficult economy is paramount to the region's success. Although the Hudson Valley has a higher patent per capita than the Research Triangle of North Carolina, the area lacks much of the necessary infrastructure such as space for innovation. Buildings that are built for entrepreneurial endeavors or start-up space such as incubators are eligible for Central Hudson financial support pursuant to the following guidelines:

- \$100,000 maximum build out or \$10 sq. ft., whichever is less.

- Funding can be used for wiring of the buildings, including equipment for uninterrupted power systems, back-up generation, advanced energy efficiency heating and cooling systems, advanced energy efficiency lighting, and air handling/changing systems.
- Support is on reimbursement basis and cannot constitute more than 20% of overall project costs.
- Matching contribution of similar amount must be made by a local economic development corporation; industrial development agency; local, county, state, or federal government or agency; and/or college or university.

JOB CREATION-ATTRACTION

Attraction of quality jobs into the region remains a critical component of the economic development efforts in the service territory.

- Jobs must be created in advanced manufacturing/high tech/green tech, emerging growth industries or in targeted industries by Central Hudson's economic development partners such as the Dutchess County EDC, Ulster County EDC, Hudson Valley EDC, Greene County IDA or Orange County Partnership for example.
- \$1,000 per job for positions in manufacturing or research and development paying more than \$40,000 annually.
- \$1,000 per job for positions paying more than \$60,000 annually.

- \$750 per job for positions paying between \$40,000 and \$59,999 annually.
- Funding is only available as part of an overall incentive package in conjunction with a state or county agency such as Empire State Development Corporation or an Industrial Development Agency.
- Capped at \$100,000 per project or total annual T&D delivery revenue.
- Payment made after first year with verification of job numbers.

JOB CREATION-EXPANSION

The expansion of existing businesses in the service territory also remains a top priority for the residents of the service territory. A job expansion program with the following eligibility criteria shall apply:

- \$1,000 per job for positions in manufacturing or research and development paying more than \$40,000 annually.
- \$1,000 per job for positions paying more than \$60,000 annually.
- \$750 per job for positions paying between \$40,000 and \$59,999 annually.
- Jobs must be created in advanced manufacturing/high tech/green tech, emerging growth industries or in targeted industries by Central Hudson's economic development partners such as the Dutchess County EDC, Ulster County EDC, Hudson Valley EDC, Greene County IDA or Orange County Partnership for example.

- A minimum of 20 new jobs created or a minimum of \$10 million of new capital invested before an award can be applied for.
- Funding is only available as part of an overall incentive package in conjunction with a state or county agency such as Empire State Development Corporation or an Industrial Development Agency.
- Capped at \$100,000 per project or total incremental increase in annual T&D delivery revenue.
- Payment made after first year with verification of job numbers.

REVITALIZATION OF BUILDINGS

The Central Hudson service territory has many now largely vacant, former manufacturing buildings. The revitalization of older, abandoned industrial buildings is an important aspect of an overall economic development program.

The following criteria shall be applied:

- Eligible buildings must have at least 50,000 sq. ft. of vacant space.
- Up to \$100,000 per site and no more than 33% of the total project costs.
- Owners must contribute at least 50% of the costs of the project.
- Buildings that seek to demolish, deconstruct, rehabilitate and/or reconstruct vacant or severely underutilized properties are eligible to apply for funding. Additionally, funds can be used for site development needs related to the project including, but not limited to water and sewer.

- Costs are on a reimbursement basis only after all work has been completed.
- All buildings must have a marketing plan and buildings must be listed within the database of the Hudson Valley Economic Development Corporation.

JOB RETENTION FOR MANUFACTURERS

The Business Retention program for Manufacturers would be available for businesses within the Central Hudson Gas & Electric service territory that meet the following criteria:

- Manufacturing businesses must be making a new, capital investment within the service territory. The purchase of real estate, acquisition of machinery & equipment, and new energy efficiency upgrades are all examples of items that would constitute a new capital investment.
- A manufacturing business must maintain its previous year's employment level within the service territory as documented by a quarterly filing of a NYS-45.
- Funding through Central Hudson for retention projects must be done in conjunction with a financial incentive from Empire State Development, a local industrial development agency, or a local economic development corporation. Central Hudson may also consider a financial incentive from other sources as satisfying the requirement.

- Central Hudson funding will be given twelve (12) months after the completion of the capital investment.
- A minimum of 20 jobs must be retained.
- Customer must be in good standing with its Central Hudson gas and electrical bill.

Funding levels will be based upon the following investment levels:

- For capital investments greater than \$500,000 but less than \$1 million, businesses would be eligible for a \$100,000 Central Hudson business retention grant.
- For capital investments greater than \$1 million but less than \$2 million, businesses would be eligible for a \$150,000 Central Hudson business retention grant.
- For capital investments greater than \$2 million, businesses would be eligible for a \$200,000 Central Hudson business retention grant.

REGIONAL MARKETING

The Hudson Valley Economic Development Corporation (HVEDC) and its regional marketing initiative, has become a model of cooperative economic development for the entire state. Among the items that will be required of HVEDC is:

- Submit a strategic 3 year plan outlining the major goals of the organization.

- Compile an annual report indicating the milestones achieved against the plan.
- Detail the public and private investment of the organization on a yearly basis.

MAIN STREET REVITALIZATION

There remains significant underutilization, vacancy, and decay in the primary corridors of the region's urban centers. In order to facilitate adaptive re-use, reconstruction, and occupancy of these main corridors, Central Hudson funded a Main Street Revitalization program pursuant to the following:

- Applicants must be a municipality, a local development corporation or a not-for-profit 501(c)(3), 501(c)(4), or 501(c)(6), acting in partnership with a municipality, county or local development corporation;
- The corridor must have at least a 25% vacancy rate;
- The project must improve a corridor vital to the economic stability and growth of a municipality;
- Funds may be used for façade improvements, streetscapes improvements, interior renovations, or other capital investments that would enhance the corridor and agreed upon by Central Hudson;
- Central Hudson project funds cannot exceed \$250,000 per project and total funding for all Main Street Revitalizations cannot exceed \$1 million of the total of Central Hudson's Economic Development Programs;

- Central Hudson project funds cannot constitute more than 33% of total project costs;
- There must be an in-kind match of at least 25% by an applicant through matching funds, tax abatement, or other mechanism;
- Project funds are on a reimbursement basis only and will be given upon project completion;
- Project must receive prior written approval before a grant award will be made;
- Projects that leverage federal and/or private sector funds will be given priority;
- Projects must demonstrate that there will be new job creation and new capital expenditures that will assist in eliminating blight in the defined area;
- Project must have an established marketing plan to fill existing vacant space.

GENERAL REQUIREMENTS FOR ALL APPLICATIONS

- All applications should have participation from Empire State Development Corporation, a county industrial development agency, a community college, or a local development corporation.
- For any application that does not contain participation from the above mentioned entities, Central Hudson shall seek a letter of support from the County of origin for such projects.

- Central Hudson shall seek participation from counties of origin prior to any public notifications or press announcements.
- Applicants must be in good standing with their Central Hudson Gas & Electric bill.
- All applicants must receive prior written approval from Central Hudson prior to beginning work on a project.
- Retail projects are ineligible for economic development program funds.