

Alana Daly Mikhalevsky  
Project Manager  
Business Development



August 31, 2017

Hon. Kathleen Burgess  
Secretary  
New York State Public Service Commission  
Agency Building 3  
Albany, NY 12223-1350

Re: Cases 14-E-0318 & 14-G-0319

Dear Secretary Burgess:

In the Order Establishing Economic Development Plan Procedures dated August 24, 2009 (Order) in Cases 05-E/G-0934/5 and confirmed in the Rate Plan Order in above referenced cases, the Commission directed Central Hudson Gas & Electric Corporation (Central Hudson) to file an annual Economic Development Plan Report. As outlined in the above referenced cases Central Hudson continues to sponsor forums on our economic development programs and conducts one-on-one meetings with county economic development leaders at least twice a year.

Central Hudson hereby submits its annual Economic Development Plan Report for the period of July 2016 to June 2017 in compliance with the Order.

In the event there are any questions related to this filing, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink that reads "Alana Mikhalevsky". The signature is written in a cursive style.

Alana Mikhalevsky

Copies: A. Campagiorni, P. Colbert, M. Lewis & Records – Central Hudson  
LuAnne Scherer, Bruce Alch & David Reulet - Department of Public Service

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# ANNUAL ECONOMIC DEVELOPMENT REPORT

July 1, 2016 - June 30, 2017

# BACKGROUND

In an Order Adopting an Economic Development Plan issued on October 3, 2002, Central Hudson Gas & Electric Corporation was directed to submit an Economic Development Plan annual report. Pursuant to the Order Establishing Economic Development Plan Procedures dated August 24, 2009, and subsequent order in the above referenced case, Central Hudson Gas & Electric (hereinafter Central Hudson) makes this Annual Economic Development Report filing for the period July 1, 2016 to June 30, 2017.

Central Hudson has seven principal economic development programs: (1) Shovel Ready Sites; (2) Wired Innovation Centers; (3) Job Creation-Attraction/Expansion; (4) Revitalization of Buildings; (5) Business Retention for Manufacturers; (6) Regional Marketing; and (7) Main Street Revitalization. For a detailed description of each program please see page 12.

## PROGRAM SUMMARY

### JULY 2016 - JUNE 2017

The Central Hudson economic development program continued to assist both companies and major regional initiatives throughout the service territory in the July 2016 to June 2017 period. Over the past year, Central Hudson invested over \$1 million in five projects. Organizations receiving the grants invested over \$30.9 million in their projects which resulted in the retention or creation of more than 970 jobs throughout the Hudson Valley. In July, the Anderson Center for Autism completed their capital investment which included a conversion to natural gas; Central Hudson provided a \$100,000 Shovel Ready Sites grant. In September, Zumtobel Lighting completed their project and were provided a \$200,000 Business Retention for Manufacturers grant. At the end of 2016, Hudson Valley Lighting completed the rehabilitation of the former Southeast Container building and was provided a \$100,000 Revitalization of Buildings grant. In February of 2017, Crossroads Brewing Company was awarded a Wired Innovation Centers grant for their expansion in Catskill; this project is expected to be completed in the fall of 2017. For a historic overview of expenditures please see page 11.

As a result of the 2013 Fortis, Inc. - Central Hudson merger, an additional economic development program was created and funded. This program provided for a \$1 million Main Street Revitalization initiative. Five projects were awarded grants in June of 2014. At the close of this rate year, June 30, 2017, three of the five projects have been completed; the City of Poughkeepsie (Winter 2016), City of Newburgh (Fall 2016) and Hudson River Housing (Spring 2017). The remaining two continue to make progress towards completion.



# PROGRAM HIGHLIGHTS

JULY 2016 - JUNE 2017 RATE YEAR



**Zumtobel Lighting, Inc. sustains 160 jobs in its manufacturing plant in Highland.**

## ZUMTOBEL LIGHTING INC.

In October 2016, Zumtobel Lighting, Inc., a leading international supplier of integral lighting solutions with a manufacturing plant in Highland (Ulster County), received a \$200,000 Business Retention for Manufacturers grant for the successful completion of a major capital investment in its facility. Prior to being awarded the Central Hudson grant, Zumtobel was exploring relocating outside of New York State.

Zumtobel invested \$4.7 million in equipment and building upgrades to serve the demands of its next generation LED luminaires and lighting systems. The investment allows additional work to be performed in-house, and improved manufacturing productivity and product quality. As an example, the company installed a new, highly accurate, state-of-the-art laser cutting system used in the production of a variety of luminaire parts that will shorten cutting time by nearly six fold, reduce scrap by 30 percent, lower electrical consumption by 25 percent and improve product performance. Zumtobel's investment in its facility sustained more than 160 quality jobs in the Hudson Valley.

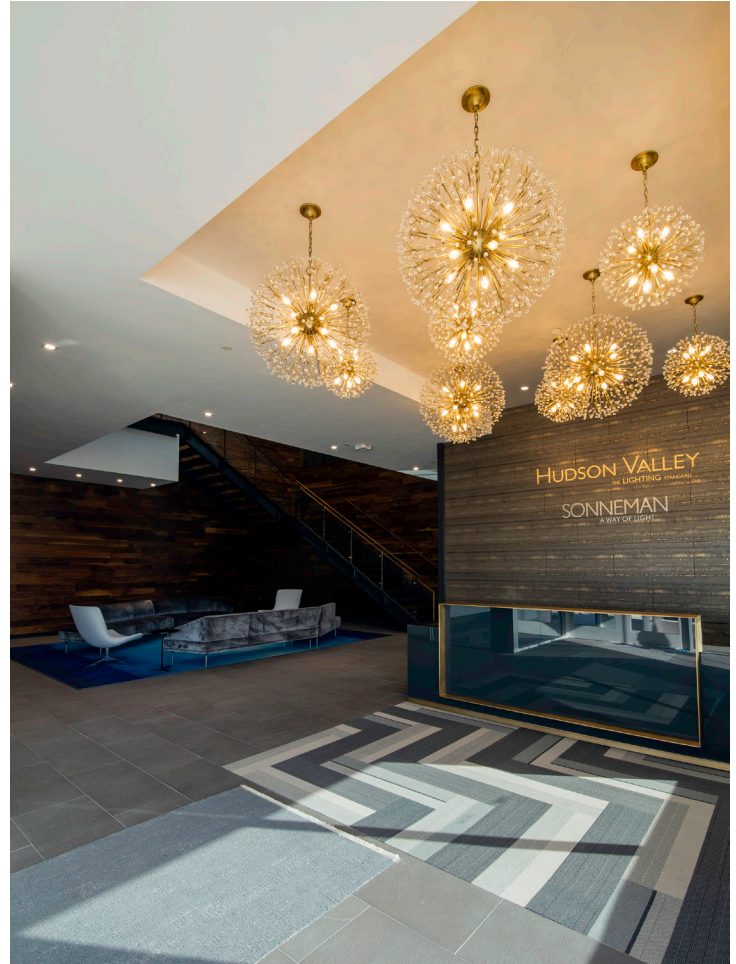
Zumtobel's investment was also supported by the Ulster County Industrial Development Agency and the Empire State Development Corporation.

*"Zumtobel highly values the region's proactive economic development efforts and we stand committed to do our part in securing jobs within the region," said Kevin Maddy, Chief Executive Officer of Zumtobel. "We specifically thank Central Hudson's efforts in support of the region by awarding this generous grant."*

## HUDSON VALLEY LIGHTING

Hudson Valley Lighting relocated its headquarters from Newburgh (Orange County) to the former Southeast Container building in Wappingers Falls (Dutchess County).

Their former facility was outdated, energy inefficient and inadequate. It also did not meet the company's needs in terms of research & development, customer service, manufacturing and warehouse facilities. The 260,000 square foot warehouse and office space at the former Southeast Container site had been vacant for nearly three years and required significant investment. Hudson Valley Lighting made a \$17.4 million capital investment at the site and improvements include a new, energy efficient roof, new HVAC systems and a state of the art warehouse and operations center. This relocation allowed Hudson Valley Lighting to retain 46 jobs. Over the next year they plan to create an additional 10 jobs. Following the project's completion in December of 2016, Central Hudson awarded Hudson Valley Lighting with a \$100,000 Revitalization of Buildings grant.



Hudson Valley Lighting's new reception area at the Wappingers Falls headquarters.

## ANDERSON CENTER FOR AUTISM

In the summer of 2016, the Anderson Center for Autism completed an infrastructure project and was awarded a \$100,000 Shovel Ready Sites grant. The Center converted its fuel supply for heating, hot water, cooking and backup generation from propane to natural gas. Anderson is the second largest employer in Hyde Park (Dutchess County) with 750 employees. The Center invested over \$900,000 to provide natural gas service to 20 buildings on their campus. This conversion will save the Center about \$100,000 in annual fuel costs. The expansion of the natural gas pipeline provided access to the Hyde Park Nursing Home and Heritage Apartments. Heritage Apartments' conversion is currently underway.

*"The cost savings associated with our conversion to natural gas will be used to provide innovative support systems to improve the quality of life of our students," said Neil Pollack, the executive director of the Anderson Center. "This project will enable us to invest in creative solutions to meet the needs of our students and help individuals with autism."*

# PROJECTS IN PROGRESS

In addition to the projects that were successfully completed during the July 2016 - June 2017 Rate Year, Central Hudson is working with several other organizations on projects that are currently underway.

## McKESSON

McKesson, a Fortune 100 company distributing pharmaceuticals, is constructing a 350,000 square foot distribution center in the town of Montgomery (Orange County). The company will distribute pharmaceuticals to customers located in Connecticut, New York, New Hampshire and Massachusetts. The company expects to process about \$2 billion of goods each year from this location. The company expects to invest \$85.2 million in land acquisition, site work, construction, material handling equipment and fixtures. This project is expected to be completed in September 2017. Total employment is expected to be 164 by year-end 2018. McKesson will be eligible for a \$200,000 Shovel Ready Sites grant and a \$100,000 Job Creation-Attraction/Expansion grant depending on the final employment and salary levels.

## SUNY ULSTER'S DARLENE L. PFEIFFER CENTER FOR BUSINESS

SUNY Ulster's Darlene L. Pfeiffer Center for Business is expanding its business and professional programs on the college's main campus in Stone Ridge (Ulster County). Ulster County companies rely on the college as a partner in maintaining their competitive advantage through a highly-trained workforce. The center will allow the college to continue to serve the needs of local businesses, provide new opportunities for SUNY Ulster to support local economic development, and expand access to those looking for a pathway to a career in a technology industry. The Pfeiffer Technology and Innovation Lab will be designed to foster and support collaborations between education and the advanced technology and manufacturing industry. It will house training and testing equipment used by SUNY Ulster students pursuing degrees in engineering and advanced manufacturing disciplines. In addition to providing hands-on learning for Science, Technology, Engineering and Math (STEM) students, the lab is designed to serve as a resource to the manufacturing industry, providing valuable real-world interaction for students and supporting the competitive advantage of local manufacturing and technology companies.

The Pfeiffer Lab will be used by students enrolled in SUNY Ulster's multiple engineering degree programs, in the Manufacturing Certificate as well as in 3D modeling and mechatronics-related training programs. Technology and manufacturing professionals will also utilize the lab to advance their skills and careers in this industry. Courses will include SUNY Manufacturing Alliance for Research and Technology Transfer (SMARTT) Lab, customized business training, workforce development training, and business and entrepreneurial training. SUNY Ulster will be eligible for an \$80,000 Revitalization of Buildings grant upon project completion, which is expected in time for the 2017-2018 academic year.



## USAI

In November 2015, Central Hudson awarded USAI Lighting with a Business Retention for Manufacturers grant. USAI is an international industry leader in the manufacturing of LED lighting fixtures. The company is making a \$6.5 million capital investment at their facility in New Windsor (Orange County). The capital investment includes a new technology, testing, and training center, specialized testing equipment for increased Research & Development capability, a prototype machine shop, exterior site improvements and new loading docks.

Upon completion, USAI will be able to design, develop and manufacture at the Orange County site and therefore localize production that is currently done in other states and China. Currently, the company employs 134 people and expects to increase its workforce by 100 additional employees over five years. Once this project is complete, USAI Lighting will be eligible for a \$200,000 Business Retention for Manufacturers grant.

## CROSSROADS BREWING

Crossroads Brewing is making a \$1.5 million investment in a new facility in the Village of Catskill (Greene County). The brewery is expanding and will continue operating its original facility, the Brooks Opera House in Athens, N.Y. The new Catskill location will be at a former Daily Mail building and will house a brewery, taproom, office space and a lab. Recently, the craft brewing industry has experienced significant growth in the Hudson Valley and Crossroads will be using its lab as a training, research and education center for those in the industry. The total rehabilitation of this former newspaper printing building includes an energy efficiency heating and cooling system, advanced energy efficiency lighting and state of the art brewing equipment. Upon the successful completion of this project, Crossroads will be eligible for a \$100,000 Wired Innovations Center grant. Crossroads' investment is also being supported by a Community Development Block grant, Workforces Development grant and the Catskill Development committee.

## DUTCHESS COUNTY

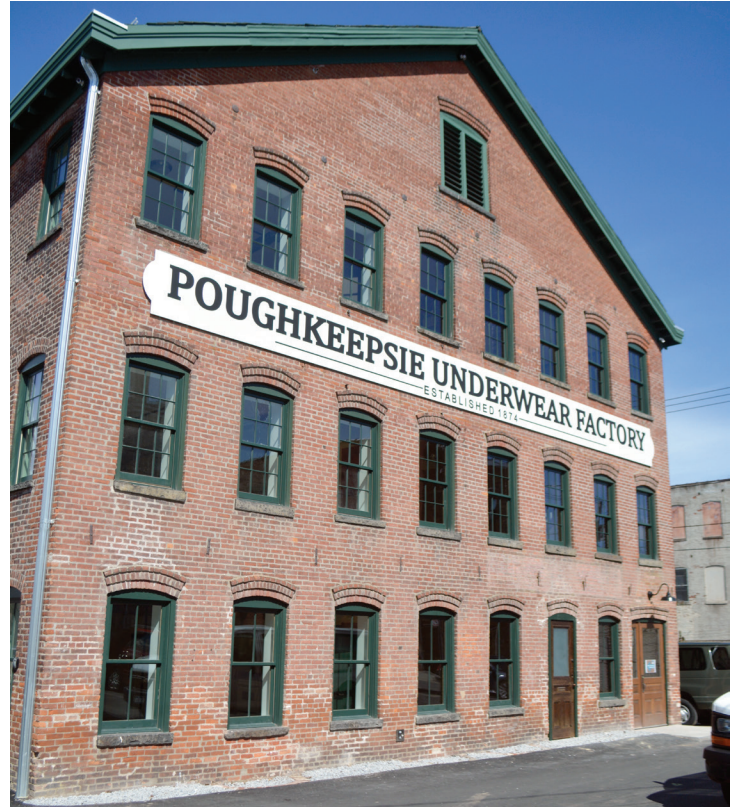
Dutchess County is extending its municipal water system to the area in and around Hudson Valley Regional Airport (formerly known as Dutchess County Airport located in Wappingers Falls). In 2013, Dutchess County lost more than 60 jobs when Southeast Container, a Coca Cola bottling company, closed the 260,000 square foot operation. Due to the lack of sufficient water infrastructure, Coca Cola declined to make a proposed \$125 million investment in the facility. This project is critical to maintaining the current businesses, expanding the use of the airport and attracting new businesses to this area. In the past, development has been stymied at the airport because there was insufficient water available for fire suppression. Going forward, this infrastructure investment will position the airport to attract new businesses, with more than 12-acres available for development. This project will provide the underutilized commercial property along Airport Drive with sufficient water supply for commercial and industrial business development and attraction. As discussed above, Hudson Valley Lighting has relocated to the former Southeast Container building and this planned infrastructure upgrade was essential to their decision. In addition, the increased flow of water will improve the quality of water GlobalFoundries takes, which is vital to its East Fishkill chip manufacturing operations. The GlobalFoundries campus currently supports 2,000 jobs. The project is expected to be complete in September of 2017, at which time the County will be eligible for a \$200,000 Shovel Ready Sites grant.

# MAIN STREET REVITALIZATION

The Main Street Revitalization program was created to help reinvigorate primary business corridors within the region's urban centers. Funding, provided as a part of the Fortis, Inc. - Central Hudson merger agreement, was made available for façade and streetscape improvements, interior renovations and other capital investments. In June of 2014, Central Hudson awarded five grants totaling \$1 million. The City of Poughkeepsie project was completed early in 2016. The City of Newburgh completed their project in the fall of 2016 while Hudson River Housing completed their project in the spring of 2017. As of the end of the rate year, the Village of Wappingers Falls and the City of Kingston projects were still in process.

## *Hudson River Housing*

- Hudson River Housing's rehabilitation project of the Underwear Factory on North Cherry Street in the City of Poughkeepsie (Dutchess County) was completed in the spring of 2017. This 143-year-old former factory has a new lease on life; Hudson River Housing restored and repurposed the historic building, which formerly housed a leather manufactory, paper mill and the Poughkeepsie Underwear Factory. Vacant for many years, the refurbished mixed-use building is now home to six one-bedroom apartments, nine studio apartments and commercial and community spaces currently occupied by North River Roasters, Mid-Hudson Heritage Center, Spark Media Project and a communal kitchen. Central Hudson provided a \$125,000 Main Street Revitalization grant.



**The recently completed Hudson River Housing project now houses a mix of commercial, residential and community spaces.**

*"Hudson River Housing is very appreciative of our partnership with Central Hudson in developing this historic factory," said Mary Linge Director of Real Estate Development for Hudson River Housing. "Not only has Central Hudson provided funding through their Main Street Revitalization grant, but they have been very cooperative and helpful in bringing this building back into service after being dormant for decades."*



*“The Central Hudson grant provided the initial funds for Safe Harbors to create a beautiful park space for the Newburgh community,” said Lisa Silverstone, Executive Director of Safe Harbors of the Hudson. “Safe Harbors Green is a fully accessible, environmentally sustainable urban park and a venue for festivals, markets, public art and community gathering. We are thrilled to be part of this comprehensive approach to downtown revitalization.”*

### City of Newburgh

- The Newburgh Community Land Bank, Safe Harbors of the Hudson, the City of Newburgh (Orange County) and in conjunction with Pace University Land Use Law Center, collaborated on the Broadway Corridor Enhancement project. The project was funded in part by a \$250,000 Main Street Revitalization grant and was completed in the fall of 2016.

The Broadway Corridor Enhancement project provided streetscape enhancements along Broadway between Johnson and Liberty Streets. The project focused on a three block area and included the creation of a public green space, offering residents and visitors with an outdoor, multi-use recreational area, and the renovation of a key historic building, now a gateway to the community. Atlas Industries, a local design and fabrication business in the downtown corridor was hired to design and fabricate bicycle racks, benches for Safe Harbors green space and a prototype bus station for installation on the corner of the Safe Harbors green space.

This project was seen as an initial step in the broader goal of the city and the Land Bank to establish a vision for Broadway that revitalizes the city’s downtown, waterfront and surrounding neighborhoods; leverages existing investments and planning initiatives into a robust funding stream for urban revitalization; and coordinates Broadway’s revival between the city, residents, and the business community.



**The City of Newburgh’s Broadway Corridor Enhancement project created a green, multi-use recreational area and the renovation of a key historic building along Broadway.**



## City of Kingston

- The City of Kingston (Ulster County) along with the Ulster Performing Arts Center, or UPAC, and Rural Ulster Preservation Corp., or RUPCO, will receive funding to enhance Cornell Street corridor in the City of Kingston, between UPAC and RUPCO's Lace Mill Factory building, improving the appearance of the area and providing a more pedestrian friendly environment.

UPAC will be using funding for infrastructure improvements that will eventually allow the theater to be open year around. UPAC has done additional fundraising and construction is now underway. The theater plans to be open for their first full summer season in 2018. In the summer of 2015, RUPCO completed the rehabilitation of the historic Lace Mill Factory, providing artists with 55 live-work units together with community and gallery spaces. The city has begun to work on their streetscape improvements and by working with the Department of Public Works, the city has been able to significantly reduce construction costs by insourcing the work. Over the next year, the city will be making the final upgrades including installing bike racks and new sidewalks and re-configuring the Cornell Street parking lot. This project is expected to be completed in 2018.



**At top, rehabilitation of the historic Lace Factory was completed in the summer of 2015. Above, solar panels on the roof of the Lace Factory.**

## Village of Wappingers Falls

- In the Village of Wappingers Falls (Dutchess County), funding was awarded to the West Main Street Redevelopment project which is being led by Hudson Valley Housing Development Fund and County Players Theater. The work to redevelop 1 Givans Avenue and 2675 West Main Street was completed in 2014. County Players has purchased the adjacent empty lot from Hudson Valley Housing Development Fund in 2015 and is working with a local architect on expansion designs. County Players will need to conduct additional fundraising to move forward. Over the last year, County Players has also invested in their interior infrastructure, including an energy efficient theatrical lighting system.

**At right, the work to redevelop 1 Givans Avenue in Wappingers Falls was completed in 2014.**



# SUMMARY OF RESULTS

The period of July 2016 to June 2017 saw the culmination of five projects: Zumtobel Lighting, Anderson Center for Autism, Hudson Valley Lighting, the City of Newburgh and Hudson River Housing. Central Hudson invested over \$1 million in these projects. Grant recipients invested over \$30.9 million which resulted in the retention or creation of more than 970 jobs throughout the Hudson Valley. Looking ahead to next year, Central Hudson expects to provide about \$1.4 million in grants to projects investing nearing \$100 million, including USAI, Dutchess County, SUNY Ulster, McKesson, Crossroads Brewing Company and the two remaining Main Street Revitalization projects in Wappingers Falls and Kingston. Through our partnerships with the county economic development offices and Empire State Development, Central Hudson is actively pursuing other projects that will bring growth and jobs to the Hudson Valley.

Central Hudson continues to actively support the Hudson Valley Economic Development Corporation (HVEDC). HVEDC is now in its 15th year of regional marketing and continues to be a regional economic development leader. Since 2010, HVEDC has focused on an industry cluster initiative, generating recognition and growth for key regional industries and strengthening the regional economy and workforce. The clusters are HV3D Printing, EDs & MEDs, Food & Beverage Alliance, Play and NY BioHud Valley. Within Central Hudson's service territory, many of these cluster initiatives are having an impact.

As past annual reports have highlighted, the creation of the Hudson Valley Center for Advanced Manufacturing at SUNY New Paltz has been an important development in the region and is the cornerstone of the HV3D initiative. HV3D was designed to accelerate the use of the technology by both ensuring access to the equipment and technical expertise by a wide range of users and focusing greater attention on the practical application of 3D printing technology. HV3D brings together 3D printing experts, private and public investors, academics and businesses and entrepreneurs allowing for the full potential of this technology to benefit the Hudson Valley. The center has served over 200 clients throughout the region, in the New York metropolitan area and outside of the state.

The Food & Beverage Alliance was created to develop local food and beverage businesses in the Hudson Valley. The food and craft beverage industries have experienced significant growth recently, including the opening and/or expansion of the Hudson Valley Brewery, Brooklyn Brewery at the Culinary Institute of America, Gillette Creamery, Bread Alone Bakery and Newburgh Brewing Company, to name a few. The Alliance provides access to economic guidance and marketing resources to businesses throughout the region and provides industry events for education and collaboration. By providing these opportunities, these industries have seen real growth. The number of people employed in the regional economy grew by nearly 20 percent from 2010 to 2014, with more than 57,000 people employed by over 5,000 businesses; and of particular note, the food and beverage employee wages in the Hudson Valley grew by more than 7.5 percent.

*(Continued on page 10)*



# SUMMARY OF RESULTS *(Continued from page 9)*

Hudson Valley EDs & MEDs brings together the region's colleges and universities along with major health care providers and health organizations to produce jobs and spur economic growth in the region. With this initiative, HVEDC forges stronger strategic alliances between Hudson Valley-based health care organizations and public and private colleges and universities; thereby, encouraging their collaborations in order to generate the workforce necessary to continue feeding economic prosperity for the community at large. Within Central Hudson's service territory there are major healthcare related investments underway. HealthQuest is making a \$500 million investment in a new 696,000-square-foot patient pavilion building at Vassar Hospital in Poughkeepsie (Dutchess County) that will house 264 private patient rooms and other medical services. HealthAlliance of the Hudson Valley is looking to make a \$133 million investment to expand its campus in Kingston (Ulster County).

HVEDC has supported other important projects underway within the Central Hudson service territory. In Fishkill (Dutchess County), the Kingdome; a 35-acre indoor/outdoor sports complex, will be the largest inflatable sports dome in the U.S. Once complete, it is expected to serve markets from Boston to Washington and draw up to 600,000 visitors per year. The Kingdome initially plans to hire 100 full-time equivalent positions. Across the river in Orange County, the European airline Norwegian Air has begun to offer non-stop flights from Stewart International Airport to European destinations, including Edinburg, Belfast and Dublin. The airport is expected to receive a substantial influx in annual traffic thanks to Norwegian's low-cost transatlantic fares. The Scandinavian airline will hire 230 employees with a collective payroll of \$13 million to maintain its operations at Stewart International Airport. Additionally, the increased traffic necessitated a new maintenance contract with Boeing to help care for Norwegian Air's new fleet of Boeing 737 Max planes. In total, the airline's presence is estimated to generate \$36 million in economic activity for the region.

# Economic development expenditures

	Inception thru 6/30/16 (\$000s)	12 months ending 6/30/17 (\$000s)	Projected 6/30/18 (\$000s)
Regional Marketing	8,235	300	300
Substation Credit	1,133	-	-
Retention	225	200	200
Shovel Ready	1,193	100	400
Attraction/expansion	84	-	100
Revitalizations	67.8	-	-
Wired Buildings	380	-	180
New Revitalization	300	100	-
Main Street Revitalization	350	375	275
	\$ 11,967.8 (A)	\$ 1,075 (B)	\$ 1,455

## Economic development fund balance (\$000s)

Economic Development Funds allocated in 2002	11,000
Funds from Fortis Merger contributed in 2013	5,000
Economic Development Program Deferral (Case 09-E-0588/09-G-0589)	900
<b>Totaling Funding</b>	<b>\$16,900 (C)</b>

Economic Development Funds (C)	\$ 16,900
Total expended thru 6/30/17 (A+B)	13,043
<b>Total Program Funds (as of 6/30/17)</b>	<b>\$ 3,857</b>

# ECONOMIC DEVELOPMENT PROGRAMS DESCRIPTION

## 1. SHOVEL-READY SITES

One of the most critical limitations that the Central Hudson 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 build out of utility infrastructure. Soft costs usually include planning studies and environmental impact statement approvals. The criteria for the program are:

- Up to \$200,000 per site for the State Environmental Quality Review Act (SEQRA) approval process only. Limit \$200,000 per site on soft costs and funding cannot constitute more than 33 percent of overall project costs.
- Owners of the site must contribute at least 50 percent of the total project soft costs.
- Up to \$200,000 per site for utility infrastructure improvements to the site up to 33 percent of total utility project costs.
- Owners of the site must contribute at least 50 percent of the project utility hard costs.
- Funding for both hard and soft costs are reimbursed to the 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.

## 2. 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 per square foot, 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 percent 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.



### 3. JOB CREATION-ATTRACTION/EXPANSION

Attraction of quality jobs into the region remains a critical component of the economic development efforts in the service territory. The expansion of existing businesses in the service territory also remains a top priority for the residents of the service territory. A job creation program with the following eligibility criteria shall apply:

- 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.
- \$750 per job for positions paying between \$40,000 and \$59,999 annually.
- \$1,000 per job for positions paying more than \$60,000 annually.
- \$1,000 per job for positions in manufacturing or research and development paying more than \$40,000 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 is made after first year with verification of job numbers.
- For the Expansion component, a minimum of 20 new jobs must be created or a minimum of \$10 million of new capital invested before an award can be applied for.

### 4. REVITALIZATION OF BUILDINGS

The Central Hudson service territory has many 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 square feet of vacant space.
- Up to \$100,000 per site and no more than 33 percent of the total project costs.
- Owners must contribute at least 50 percent 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.

## 5. BUSINESS RETENTION FOR MANUFACTURERS

The Business Retention program for Manufacturers would be available for businesses within the Central Hudson 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 and 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 \$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.

## 6. 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 three 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.

## 7. 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 percent 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 percent of total project costs.
- There must be an in-kind match of at least 25 percent 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.
- Central Hudson shall seek a letter of support from the County of origin for an application that does not contain participation from the above mentioned entities.
- Central Hudson shall seek participation from counties of origin prior to any public notifications or press announcements.
- Applicants must be in good standing on 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.



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