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Contact: Paula Sandy, (716) 541-1709 (o); (716) 491-1135 (c)

Leaders Urge Governor to Sign “Proceeds” Bill into Law

Law Would Create Western New York Economic Development Fund with Millions for Local Projects

(BUFFALO, N.Y.) – In the face of many obstacles to economic growth, Buffalo Niagara leaders are calling on Governor David A. Paterson to help spur job creation and investment in Buffalo Niagara by signing A.8712-A (Gabryszak) and S.5783-A (Stachowski, Maziarz) into law.

The Governor’s signature would create the Western New York Economic Development Fund, which would provide millions of dollars for local projects using the proceeds from unused hydropower sold on the open market. Currently, the New York Power Authority (NYPA) retains those proceeds and uses them throughout the state.

Maintaining hydropower proceeds within a 30 mile radius of Niagara Falls is an issue that has broad regional support and has aligned elected officials, business leaders, labor leaders, economic development professionals and other community stakeholders.

“This legislation can create a real, tangible difference in our community,” said **Andrew J. Rudnick, president and CEO of the Buffalo Niagara Partnership**. “In a year of unprecedented economic challenges, the Governor’s signature can create a fund with hydropower proceeds that has the potential to have a long-lasting and transformational impact on Buffalo Niagara.”

Currently, there are 695 MW of hydropower designated for use within 30 miles of the Niagara Power Project in Lewiston, NY, commonly referred to as Replacement and Expansion Power. The majority of that is used by local employers in the region in the operation of their facilities and production of their products. When that power is not being utilized – when a plant is not drawing on its full allocation, or when a company has received a block of power but is not yet up and running, or when power remains unallocated – the New York Power Authority sells it on the open market and retains the proceeds.

If enacted, A.8712-A/S.5783-A would change that through creation of the Western New York Economic Development Fund. Unused power would still be sold, but the proceeds would go into the fund for local use tied to the “within the 30 mile radius” core criteria. The fund could support projects such as site preparation and infrastructure improvements, brownfield cleanups, adaptive reuse of existing structures and to entice private sector investments in Buffalo Niagara.

“Our region desperately needs the kind of economic activity and job creation this fund would support,” said **Angelo A. Vellake, president of the Western New York Area Labor Federation**. “We urge the Governor to sign this legislation into law.”

The Western New York Advisory Group – an existing body of local economic development agencies that make power allocation recommendations to NYPA – would solicit and review applications for grants from the fund. Eligible applicants include public, private and not-for-profit entities located within a 30 mile radius of the Niagara Power Project. Applications would be evaluated based upon criteria such as: jobs created or retained by the project, the types of jobs created (as measured by wage and benefit levels), average annual payroll, capital investment and use of NYS suppliers; the

applicant's commitment to retain/create jobs; the project's ability to induce commercial activity on a site and revitalize an urban area.

"This legislation will provide a much needed spark to Western New York," said **Assemblyman Dennis Gabryszak**. "Creating jobs, maintaining jobs and making Western New York an appealing place for businesses is what this fund has the potential to do. The Governor has a golden opportunity right now to improve economic development in Western New York and I urge him to sign this bill into law. Let's make Western New York an irreplaceable part of our economy."

"The fact is that the New York Power Authority is already selling unused hydropower on the open market and keeping those proceeds," said **Senator Bill Stachowski**. "Signing this bill into law would allow businesses within 30 miles of the Power Project to use that revenue for job creation purposes. This is not a short-term fix, but rather a major change in policy that will have lasting effects here in Western New York. The Governor can show the people on this end of the state that we can thrive if we're given the tools we need to move forward by approving this legislation."

Senator George Maziarz, Chairman of the Senate Energy Committee, said, "This will be a victory in our ongoing battles to hold the Power Authority accountable to Western New York. We have the Niagara Power Project in our backyard, and under this law, it will be a greater economic catalyst in our region. I was glad to move this legislation through the Energy Committee, and now Governor Paterson should be quick to sign it into law."

"The Niagara Power Project was intended to provide a direct benefit to this community but for too long the profits have flowed from our natural asset to other parts of the state and country," said **Congressman Brian Higgins**. "This is another opportunity to reclaim what is uniquely ours and in return deliver an annual, long term boost to our local economy."

"This legislation will help correct yet another example of Western New York being disadvantaged by Albany, and I encourage Governor Paterson to sign it," said **Erie County Executive Chris Collins**. "The creation of a Western New York Development Fund will boost economic opportunity in our region by using non-taxpayer dollars to support and enhance local development projects and private sector investment."

Buffalo Mayor Byron W. Brown said: "In the past, hydropower from Niagara Falls gave Buffalo its reputation as the 'City of Light,' but the Western New York Economic Development Fund can employ that same asset to support our future by stimulating investment, innovation and development in the city and region for years to come. The fund would serve as a critical tool for the City of Buffalo as we facilitate investment in brownfields and vacant and underutilized buildings, and work with the private sector to support job growth."

Assemblyman Robin Schimminger said: "I have long been a supporter of using the proceeds from the sale of unallocated replacement and expansion power or 'loose juice' for Western New York economic development purposes. I am the only member of the Legislature who voted against reallocating this power for use in other parts of the state in 2005. Needless to say, I am fully supportive of returning monies gained from the 'loose juice' sales back to our region. It is just the right thing to do. Setting up a development fund to address brownfield cleanup, site preparation and infrastructure improvements will be an important resource for restructuring our local economy."

Assemblywoman Francine DelMonte said: "Niagara County hosts the state's largest electricity producer and our job is to fight to make sure local economic development efforts continue to receive the benefits of having that power in our backyard. This legislation is the next step in making sure

businesses in Western New York receive a fair amount of those benefits from the Niagara Power Project."

Assemblywoman Crystal Peoples-Stokes said: "I urge Governor Paterson to sign this important legislation. The creation of the Western New York Economic Development Fund will be critical in retaining badly needed financial resources in our region. Adherence to the '30 mile radius' core criteria will directly target the areas in our communities that we know can best utilize the resources to stimulate job creation, infrastructure development and help turn this difficult economy around."

Assemblyman Jim Hayes said: "The natural advantage of access to lower cost electricity powered Western New York's great manufacturing expansion in the early twentieth century, creating tens of thousand of jobs. It is vital for economic development in our area that proceeds from the sale of hydropower remain in Western New York to create and retain jobs in our communities. Governor Paterson should sign the 'Proceeds bill' as a matter of fairness and to help save and create jobs for our people."

"The Buffalo Niagara region for too long has seen too little benefit from one of the world's largest natural energy sources, which happens to be located in our backyard," said **Assemblyman Jack Quinn**. "Creating a dedicated fund for regional economic development from the sale of excess power production is a common sense proposal. As a sponsor of this legislation, I am calling on Governor Paterson to sign A.8712-A/S.5783-A into law immediately."

Assemblywoman Jane Corwin said: "Utilizing the plentiful hydropower resources that exist in the Niagara region of New York State is fundamental to growing our local economy, and therefore incumbent upon the Power Authority, legislative leaders, and the Governor to support legislation that facilitates such growth. That is why I strongly support the Partnership's efforts to work with the Governor in establishing the WNY Economic Development fund by signing this bill, allocating millions of dollars for projects with unused hydropower proceeds."

Assemblyman Joseph M. Giglio said: "I am pleased that such an important piece of legislation has passed the State Legislature. It is imperative that the Governor sign the bill to create the Western New York Economic Development Fund. The fund has the capability of providing a huge boost to economic development projects in Western New York using proceeds from the sale of hydropower."

"Signing this bill into law is the right thing to do," said **Legislator Richard Updegrave, Chairman of the Economic Development Committee of the Niagara County Legislature**. "Retaining proceeds here is consistent with the original intent of the law that designates expansion and replacement power for use in this region. Perhaps even more important, this legislation maximizes the impact of the precious asset of hydropower by focusing the energy and the proceeds derived from its sale on economic development within 30 miles of the Niagara Power Project."

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