

STATE OF NEW YORK

3362

2017-2018 Regular Sessions

IN SENATE

January 23, 2017

Introduced by Sens. KRUEGER, HAMILTON, MONTGOMERY, SERRANO -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the New York state urban development corporation act, in relation to kitchen incubator/shared-use kitchen facilities

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 1 of chapter 174 of the laws of 1968, constituting
2 the New York state urban development corporation act, is amended by
3 adding a new section 16-aa to read as follows:

4 § 16-aa. Small business kitchen incubator/shared-use kitchen program.
5 1. There is hereby established within the corporation a small business
6 kitchen incubator/shared-use kitchen program. The corporation is author-
7 ized within available appropriations in the empire state economic devel-
8 opment fund established pursuant to section 16-i of this act, to award
9 grants, on a competitive basis in response to request-for-proposals, to
10 local development corporations, municipalities, educational insti-
11 tutions, and other not-for-profit organizations for the costs involved
12 in starting or expanding a kitchen incubator/shared-use kitchen facili-
13 ty. The corporation is further authorized to contract with the commis-
14 sioner of agriculture and markets, and such commissioner is authorized
15 to contract with the corporation, to prepare and issue requests for
16 proposals, accept grant applications, recommend those applications that
17 best meet established criteria, to establish criteria and to administer
18 grants awarded under this subdivision. Such grants may be used for the
19 construction or rehabilitation of such facility, purchase of equipment,
20 training, technical assistance, and other purposes necessary for the
21 successful development or expansion of a kitchen incubator/shared-use
22 kitchen facility. Kitchen incubator/shared-use kitchen facilities shall
23 be food processing or preparation facilities that are operated by not-
24 for-profit corporations or government agencies and used primarily by

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 small and emerging businesses, including both full-time facility tenants
2 and businesses that rent space on a temporary basis. They must provide
3 or make available for facility businesses: low-cost space, below current
4 market value in the area the facility serves; and support services,
5 including but not limited to, business planning, management assistance,
6 financial packaging, linkages to financing sources, and coordination
7 with other sources of training and assistance. They may provide or make
8 available for facility businesses, services such as food production or
9 processing technical assistance, marketing, distribution, purchasing,
10 storage, packing, insurance, on-site retailing or other services.

11 2. Project plans. Applicants for grants must provide a management
12 plan and a business plan for operating the kitchen incubator/shared-use
13 kitchen facility which demonstrates to the satisfaction of the corpo-
14 ration: (i) local business interest in a new or expanded facility,
15 including the food processing needs of existing and potential food busi-
16 nesses; (ii) the applicant's ability to deliver services and assistance
17 as described in subdivision one of this section, including a description
18 of how such assistance and services will be delivered; (iii) whether the
19 services provided to facility tenants will be covered by fees or
20 included in the rent, and how rentals and/or fees will be structured;
21 (iv) a policy for tenants' entrance to and exit, or graduation, from the
22 facility; and, (v) that the facility can be self-sustaining and will not
23 require long-term state operating subsidies.

24 3. Grant criteria. Grants and loans made by the corporation pursuant
25 to this section shall be subject to the following limitations:

26 a. no such grant shall exceed two hundred fifty thousand dollars per
27 year; and

28 b. preference shall be given to applicants which: (i) meet highly
29 distressed area criteria; provide a local match; meet a substantial
30 local or regional need; complement local programs or provide services
31 not readily available from units of local government or the private
32 sector; plan to provide or make available for facility businesses,
33 services, including but not limited to, food production or processing
34 technical assistance, marketing, distribution, purchasing, storage,
35 packaging, insurance, on-site retailing or other services; and (ii) have
36 developed a plan to assist businesses participating in the applicant's
37 kitchen incubator/shared-use kitchen facility with purchasing New York
38 state agricultural products, and promoting the facility to regional
39 farmers.

40 § 2. Paragraph (b) of subdivision 1 of section 16-m of section 1 of
41 chapter 174 of the laws of 1968, constituting the New York state urban
42 development corporation act, as added by section 1 of part N of chapter
43 84 of the laws of 2002, is amended to read as follows:

44 (b) Loans, loan guarantees, and grants including interest subsidy
45 grants may be provided to municipalities, industrial development agen-
46 cies, not-for-profit corporations or local development corporations for
47 the purpose of developing federal facility sites, urban industrial
48 sites, industrial parks and incubator buildings including small business
49 kitchen incubator/shared-use kitchen facilities; or to undertake prelim-
50 inary planning relating thereto;

51 § 3. This act shall take effect immediately, provided, however, that
52 the amendments to section 16-m of the urban development corporation act
53 made by section two of this act shall not affect the expiration of such
54 section and shall expire and be deemed repealed therewith.