S T A T E O F N E W Y O R K

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2009-2010 Regular Sessions

I N A S S E M B L Y

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Introduced by M. of A. COOK, ORTIZ, MORELLE, JACOBS, GREENE, COLTON, SCHROEDER, ALESSI, LUPARDO -- Multi-Sponsored by -- M. of A. CLARK, GANTT, GOTTFRIED, HOOPER, MAGEE, MILLMAN, RAMOS, J. RIVERA, SCARBOROUGH, TOWNS, WRIGHT -- read once and referred to the Committee on Small Business

AN ACT to amend chapter 174 of the laws of 1968 constituting 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:

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

S 16-T. SMALL BUSINESS KITCHEN INCUBATOR/SHARED-USE KITCHEN PROGRAM. 1. THERE IS HEREBY ESTABLISHED WITHIN THE CORPORATION A SMALL BUSINESS KITCHEN INCUBATOR/SHARED-USE KITCHEN PROGRAM. THE CORPORATION IS AUTHORIZED WITHIN AVAILABLE APPROPRIATIONS TO AWARD GRANTS, ON A COMPETITIVE BASIS IN RESPONSE TO REQUEST-FOR-PROPOSALS, TO LOCAL DEVELOPMENT CORPORATIONS, MUNICIPALITIES, EDUCATIONAL INSTITUTIONS, AND OTHER NOT-FOR-PROFIT ORGANIZATIONS FOR THE COSTS INVOLVED IN STARTING OR EXPANDING A KITCHEN INCUBATOR/SHARED-USE KITCHEN FACILITY. SUCH GRANTS MAY BE USED FOR THE CONSTRUCTION OR REHABILITATION OF SUCH FACILITY, PURCHASE OF EQUIPMENT, TRAINING, TECHNICAL ASSISTANCE, AND OTHER PURPOSES NECESSARY FOR THE SUCCESSFUL DEVELOPMENT OR EXPANSION OF A KITCHEN INCUBATOR/SHARED-USE KITCHEN FACILITY. KITCHEN INCUBATOR/SHARED-USE KITCHEN FACILITIES SHALL BE FOOD PROCESSING OR PREPARATION FACILITIES THAT ARE OPERATED BY NOT-FOR-PROFIT CORPORATIONS OR GOVERNMENT AGENCIES AND USED PRIMARILY BY SMALL AND EMERGING BUSINESSES, INCLUDING BOTH FULL-TIME FACILITY TENANTS AND BUSINESSES THAT RENT SPACE ON A TEMPORARY BASIS. THESE FACILITIES MUST BE LICENSED OR CERTIFIED BY APPROPRIATE STATE AND FEDERAL FOOD SAFETY AGENCIES. THEY

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

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MUST PROVIDE OR MAKE AVAILABLE FOR FACILITY BUSINESSES: LOW-COST SPACE, BELOW CURRENT MARKET VALUE IN THE AREA THE FACILITY SERVES; AND SUPPORT SERVICES, INCLUDING BUT NOT LIMITED TO, BUSINESS PLANNING, MANAGEMENT ASSISTANCE, FINANCIAL PACKAGING, LINKAGES TO FINANCING SOURCES, AND COORDINATION WITH OTHER SOURCES OF TRAINING AND ASSISTANCE. THEY MAY PROVIDE OR MAKE AVAILABLE FOR FACILITY BUSINESSES, SERVICES SUCH AS FOOD PRODUCTION OR PROCESSING TECHNICAL ASSISTANCE, MARKETING, DISTRIBUTION, PURCHASING, STORAGE, PACKING, INSURANCE, ON-SITE RETAILING OR OTHER SERVICES.

2. PROJECT PLANS. APPLICANTS FOR GRANTS MUST PROVIDE A MANAGEMENT PLAN AND A BUSINESS PLAN FOR OPERATING THE KITCHEN INCUBATOR/SHARED-USE KITCHEN FACILITY WHICH DEMONSTRATES TO THE SATISFACTION OF THE CORPORATION: (I) LOCAL BUSINESS INTEREST IN A NEW OR EXPANDED FACILITY, INCLUDING THE FOOD PROCESSING NEEDS OF EXISTING AND POTENTIAL FOOD BUSINESSES; (II) THE APPLICANT'S ABILITY TO DELIVER SERVICES AND ASSISTANCE AS DESCRIBED IN SUBDIVISION ONE OF THIS SECTION, INCLUDING A DESCRIPTION OF HOW SUCH ASSISTANCE AND SERVICES WILL BE DELIVERED; (III) WHETHER THE SERVICES PROVIDED TO FACILITY TENANTS WILL BE COVERED BY FEES OR INCLUDED IN THE RENT, AND HOW RENTALS AND/OR FEES WILL BE STRUCTURED; (IV) A POLICY FOR TENANTS' ENTRANCE TO AND EXIT, OR GRADUATION, FROM THE FACILITY; AND, (V) THAT THE FACILITY CAN BE SELF-SUSTAINING AND WILL NOT REQUIRE LONG-TERM STATE OPERATING SUBSIDIES.

3. GRANT CRITERIA. GRANTS AND LOANS MADE BY THE CORPORATION PURSUANT TO THIS SECTION SHALL BE SUBJECT TO THE FOLLOWING LIMITATIONS:

A. NO SUCH GRANT SHALL EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS PER YEAR;

B. NO MORE THAN ONE GRANT PER YEAR PER APPLICATION; AND

C. PREFERENCE SHALL BE GIVEN TO APPLICANTS WHICH: (I) MEET HIGHLY DISTRESSED AREA CRITERIA OR WHICH SUPPORT EMPIRE ZONES ESTABLISHED PURSUANT TO ARTICLE 18-B OF THE GENERAL MUNICIPAL LAW; PROVIDE A LOCAL MATCH; MEET A SUBSTANTIAL LOCAL OR REGIONAL NEED; COMPLEMENT LOCAL PROGRAMS OR PROVIDE SERVICES NOT READILY AVAILABLE FROM UNITS OF LOCAL GOVERNMENT OR THE PRIVATE SECTOR; PLAN TO PROVIDE OR MAKE AVAILABLE FOR FACILITY BUSINESSES, SERVICES, INCLUDING BUT NOT LIMITED TO, FOOD PRODUCTION OR PROCESSING TECHNICAL ASSISTANCE, MARKETING, DISTRIBUTION, PURCHASING, STORAGE, PACKAGING, INSURANCE, ON-SITE RETAILING OR OTHER SERVICES; AND (II) HAVE DEVELOPED A PLAN, IN COOPERATION WITH THE DEPARTMENT OF AGRICULTURE AND MARKETS, TO ASSIST BUSINESSES PARTICIPATING IN THE APPLICANT'S KITCHEN INCUBATOR/SHARED-USE KITCHEN FACILITY WITH PURCHASING NEW YORK STATE AGRICULTURAL PRODUCTS, AND PROMOTING THE FACILITY TO REGIONAL FARMERS.

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

(b) Loans, loan guarantees, and grants including interest subsidy grants may be provided to municipalities, industrial development agencies, not-for-profit corporations or local development corporations for the purpose of developing federal facility sites, urban industrial sites, industrial parks and incubator buildings INCLUDING SMALL BUSINESS KITCHEN INCUBATOR/SHARED-USE KITCHEN FACILITIES; or to undertake preliminary planning relating thereto;

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