

3594

2009-2010 Regular Sessions

I N S E N A T E

March 25, 2009

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

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:

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-t to read as follows:  
4 S 16-T. 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 TO AWARD GRANTS, ON A COMPETITIVE  
8 BASIS IN RESPONSE TO REQUEST-FOR-PROPOSALS, TO LOCAL DEVELOPMENT CORPO-  
9 RATIONS, MUNICIPALITIES, EDUCATIONAL INSTITUTIONS, AND OTHER  
10 NOT-FOR-PROFIT ORGANIZATIONS FOR THE COSTS INVOLVED IN STARTING OR  
11 EXPANDING A KITCHEN INCUBATOR/SHARED-USE KITCHEN FACILITY. SUCH GRANTS  
12 MAY BE USED FOR THE CONSTRUCTION OR REHABILITATION OF SUCH FACILITY,  
13 PURCHASE OF EQUIPMENT, TRAINING, TECHNICAL ASSISTANCE, AND OTHER  
14 PURPOSES NECESSARY FOR THE SUCCESSFUL DEVELOPMENT OR EXPANSION OF A  
15 KITCHEN INCUBATOR/SHARED-USE KITCHEN FACILITY. KITCHEN  
16 INCUBATOR/SHARED-USE KITCHEN FACILITIES SHALL BE FOOD PROCESSING OR  
17 PREPARATION FACILITIES THAT ARE OPERATED BY NOT-FOR-PROFIT CORPORATIONS  
18 OR GOVERNMENT AGENCIES AND USED PRIMARILY BY SMALL AND EMERGING BUSI-  
19 NESSES, INCLUDING BOTH FULL-TIME FACILITY TENANTS AND BUSINESSES THAT  
20 RENT SPACE ON A TEMPORARY BASIS. THESE FACILITIES MUST BE LICENSED OR  
21 CERTIFIED BY APPROPRIATE STATE AND FEDERAL FOOD SAFETY AGENCIES. THEY  
22 MUST PROVIDE OR MAKE AVAILABLE FOR FACILITY BUSINESSES: LOW-COST SPACE,  
23 BELOW CURRENT MARKET VALUE IN THE AREA THE FACILITY SERVES; AND SUPPORT

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

LBD01258-01-9

1 SERVICES, INCLUDING BUT NOT LIMITED TO, BUSINESS PLANNING, MANAGEMENT  
2 ASSISTANCE, FINANCIAL PACKAGING, LINKAGES TO FINANCING SOURCES, AND  
3 COORDINATION WITH OTHER SOURCES OF TRAINING AND ASSISTANCE. THEY MAY  
4 PROVIDE OR MAKE AVAILABLE FOR FACILITY BUSINESSES, SERVICES SUCH AS FOOD  
5 PRODUCTION OR PROCESSING TECHNICAL ASSISTANCE, MARKETING, DISTRIBUTION,  
6 PURCHASING, STORAGE, PACKING, INSURANCE, ON-SITE RETAILING OR OTHER  
7 SERVICES.

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

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

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

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

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

40 S 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 S 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.