

2011-2012 Regular Sessions

I N   S E N A T E

(PREFILED)

January 5, 2011

---

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-u to read as follows:  
4     S 16-U. 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  
24    NOT-FOR-PROFIT CORPORATIONS OR GOVERNMENT AGENCIES AND USED PRIMARILY BY  
25    SMALL AND EMERGING BUSINESSES, INCLUDING BOTH FULL-TIME FACILITY TENANTS

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

LBD00734-01-1

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

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

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

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

27 B. PREFERENCE SHALL BE GIVEN TO APPLICANTS WHICH: (I) MEET HIGHLY  
28 DISTRESSED AREA CRITERIA OR WHICH SUPPORT EMPIRE ZONES ESTABLISHED  
29 PURSUANT TO ARTICLE 18-B OF THE GENERAL MUNICIPAL LAW; PROVIDE A LOCAL  
30 MATCH; MEET A SUBSTANTIAL LOCAL OR REGIONAL NEED; COMPLEMENT LOCAL  
31 PROGRAMS OR PROVIDE SERVICES NOT READILY AVAILABLE FROM UNITS OF LOCAL  
32 GOVERNMENT OR THE PRIVATE SECTOR; PLAN TO PROVIDE OR MAKE AVAILABLE FOR  
33 FACILITY BUSINESSES, SERVICES, INCLUDING BUT NOT LIMITED TO, FOOD  
34 PRODUCTION OR PROCESSING TECHNICAL ASSISTANCE, MARKETING, DISTRIBUTION,  
35 PURCHASING, STORAGE, PACKAGING, INSURANCE, ON-SITE RETAILING OR OTHER  
36 SERVICES; AND (II) HAVE DEVELOPED A PLAN TO ASSIST BUSINESSES PARTIC-  
37 IPATING 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.