

# STATE OF NEW YORK

3362--A

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 -- recommitted to the Committee on Corporations, Authorities and Commissions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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-bb to read as follows:

§ 16-bb. 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 in the empire state economic development fund established pursuant to section sixteen-i of this act, 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. The corporation is further authorized to contract with the commissioner of agriculture and markets, and such commissioner is authorized to contract with the corporation, to prepare and issue requests for proposals, accept grant applications, recommend those applications that best meet established criteria, to establish criteria and to administer grants awarded under this subdivision. 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

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

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

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

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

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

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

41 § 2. Paragraph (b) of subdivision 1 of section 16-m of section 1 of  
42 chapter 174 of the laws of 1968, constituting the New York state urban  
43 development corporation act, as added by section 1 of part N of chapter  
44 84 of the laws of 2002, is amended to read as follows:

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

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