



Albany County Business Development Corporation

Board of Directors Meeting

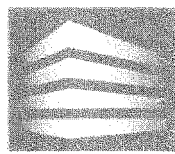
111 Washington Ave, Albany NY

July 20, 2023

8:30 AM – 10:00 AM

AGENDA

- | | |
|------------------------------------------------------------------------------------|---------------------------------|
| 1. Review of June 15, 2023, Meeting Minutes | Allen Maikels |
| 2. Review of June 2023 Financials | Allen Maikels &
Amy Thompson |
| 3. Alliance Agency Voucher | Amy Thompson |
| 4. Loan Update: Daigle Cleaning | Kevin Catalano |
| 5. Letter of Support: Energy Catalyst, LLC
a. Resolution | Kevin Catalano |
| 6. Proposal: Create Albany Co. Shovel Ready Site Development Fund
a. Resolution | Kevin O'Connor |
| 7. Alliance CEO Report | Kevin O'Connor |
| 8. Other Business | |
| 9. Adjournment | Allen Maikels |



Board of Directors Meeting Minutes
June 15, 2023

DIRECTORS PRESENT	Alan Alexander, Al Maikels, Caitlin O'Brien, George Penn, Marcus Pryor, Daniel Scarring, Jeffrey Stone, and Sean Ward
EXCUSED DIRECTORS	Diane Ostroff
COUNSEL PRESENT	Madeline Kauffman
GUEST PRESENT	Lucas Rogers
AACA STAFF PRESENT	Kevin O'Connor, Amy Thompson, Kevin Catalano, and Antionette Hedge

Mr. O'Connor invited the Board and staff to introduce themselves to the new Board member Daniel Scarring.

Mr. Maikels called the meeting to order at 8:30 a.m.

Mr. Maikels presented the Minutes from the May 18, 2023 meeting. No corrections were noted. Mr. Stone made a motion to approve the May 18, 2023 Minutes, Mr. Ward seconded; all were in favor.

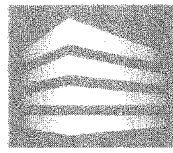
Ms. Thompson presented the May 2023 Financial Statements.

Mr. Catalano presented a loan application received from Moxie Owl, Inc. Upon due consideration of the following proposed loan terms, a motion to approve the loan application was made by Mr. Pryor and seconded by Mr. Alexander, and all of those in attendance and voting on such motion were in favor:

Borrower:	Moxie Owl, Inc.
Guarantor:	Leyla Kiosse
Principal Amount:	\$180,000.00
Interest Rate:	4%
Term:	5-year term, 10-year amortization collateral:

A first priority security interest and lien on all business assets of the Borrower, including, but not limited to all kitchen equipment and a 2022 Elite Cargo Trailer.

Assignment of a life insurance policy on the life of Leyla Kiosse in an amount not less than the amount of the Loan.



Additional Requirement(s): Subordination Agreement from Chemung Canal Trust Company and continued lease of the two (2) premises occupied by Borrower at 16 Sheridan Avenue Albany, NY and 705 New Salem Road, Voorheesville, New York for not less than the loan term, and appropriate collateral access agreements.

Once all conditions precedent to closing have been satisfied, the ACBDC is authorized to fund and close the loan transaction, including the execution by the Advance Albany County Alliance, as agent of ACBDC, of all documents required to be executed in connection therewith.

Mr. Catalano presented a loan modification request received from Co-Borrowers CB25 Industrial Park, LLC ("CB") and Crisafulli Bros. Plumbing and Heating Contractors, Inc. ("Crisafulli Plumbing"). In connection with the foregoing request, it is proposed that (a) upon satisfaction of all conditions precedent to the effectiveness of, and the closing of, the modification transaction, Crisafulli Plumbing would be released from its obligations under the ACBDC Loan effective as of the closing date, (b) Crisafulli Mechanical, LLC ("Crisafulli Mechanical" would execute and deliver to the Al Tech Trust Fund an and absolute, unconditional and unlimited guaranty of the subject Loan, and (c) the business assets of Crisafulli Mechanical would be pledged in favor of the Al Tech Trust Fund to secure its guaranty. The Guaranty made by Andrea Crisafulli and all other collateral securing the Loan (including the Al Tech Trust Fund Mortgage encumbering CB's real property and all improvements thereon) would remain in full force and effect.


Mr. Alexander made a motion to approve the above loan modification request, Mr. Ward seconded; all of those in attendance and voting on such motion were in favor.

Mr. O'Connor presented the Alliance CEO Report. He reviewed the Al Tech Steel site and possible support from the ACBDC in the efforts by the Advance Albany County Alliance in the redevelopment of this and other sites in Albany County.

In follow up to the discussion had at the May 18, 2023 Board Meeting concerning a requested write off of the balance of the loan due and owing from Jeff Ryan Integrative Wellness Services, LLC (the Borrower) and Jeffrey Ryan Family Medicine, PLLC and Jeffrey S. Ryan (the Guarantors), Mr. Catalano confirmed an Affidavit of Financial Condition has been sent to Jeffrey Ryan for completion, execution and delivery.

Mr. Stone made a motion to move to adjourn the meeting at 9:16 a.m., Mr. Alexander seconded; all were in favor.

Respectfully submitted,


Allen Maikels, Secretary/Treasurer

Albany County Business Development Corporation
Statement of Net Position
As of June 30, 2023

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
Restricted Cash	
10220 - M&T MM 3324 ALTECH ACBDC	7,982,913.63
10250 - M&T 4113 AI Tech Operating	652,659.56
Total Restricted Cash	\$ 8,635,573.19
Unrestricted Cash	
10210 - M&T ACBDC Corp Checking 4105	23,492.98
10255 - M&T 3994 CRAF Operating	3.00
Total Unrestricted Cash	\$ 23,495.98
Total Bank Accounts	\$ 8,659,069.17
Accounts Receivable	
14615 - Loans Receivable-AI Tech LT	11,140,009.44
14620 - Bad Debt Allowance	-84,193.00
15150 - Accrued Loan Interest	32,262.00
Total Accounts Receivable	\$ 11,088,078.44
Total Current Assets	\$ 19,747,147.61
Fixed Assets	
16000 - Furniture & Fixtures	6,588.00
16999 - Accumulated Depreciation	-6,588.00
Total Fixed Assets	\$ 0.00
TOTAL ASSETS	\$ 19,747,147.61
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20051 - Due to Advance Albany Co Alliance	71,103.04
Total Accounts Payable	\$ 71,103.04
Total Current Liabilities	\$ 71,103.04
Total Liabilities	\$ 71,103.04
Net Position	
28615 - Trust Assets	15,650,961.00
30000 - Net Assets	6,176,905.00
Retained Earnings	-2,254,907.40
Net Operating Revenues	103,085.97
Total Net Position	\$ 19,676,044.57
TOTAL LIABILITIES & NET POSITION	\$ 19,747,147.61

Albany County Business Development Corporation
Statement of Revenue, Expenses and Changes in Net Position
YTD June 2023

	Total
Operating Revenues	
41000 - Application Fees	500.00
44000 - Bank Interest	88,482.14
44050 - Loan Interest Earned	172,233.29
Total Operating Revenues	\$ 261,215.43
Operating Expenses	
50035 - Agency Fee	\$ 158,129.46
Total Operating Expenses	\$ 103,085.97
Change in Net Position	\$ 103,085.97

Albany County Business Development Corporation
Budget vs. Actuals: 2022 Budget - FY22 P&L
YTD June 2023

	Actual	Budget	Budget Variance	% of Budget
Operating Revenues				
41000 - Application Fees	500.00	2,500.00	-2,000.00	20.00%
44000 - Bank Interest	88,482.14	639.98	87,842.16	13825.77%
44050 - Loan Interest Earned	172,233.29	196,230.98	-23,997.69	87.77%
Total Operating Revenues	\$ 261,215.43	\$ 199,370.96	\$ 61,844.47	131.02%
Operating Expenses				
50015 - Bank Fees		250.00	-250.00	0.00%
50035 - Agency Fee	158,129.46	115,500.00	42,629.46	136.91%
Bad Debt Writeoff		30,000.00	-30,000.00	0.00%
Total Operating Expenses	\$ 158,129.46	\$ 145,750.00	\$ 12,379.46	108.49%
Change in Net Position	\$ 103,085.97	\$ 53,620.96	\$ 49,465.01	192.25%

Advance Albany County Alliance LDC
as agent for
Albany County Business Development Corporation
Q2 2023
Voucher \$71,103.04

2023 Agency Budget	\$	231,000.00
Q2 2023 Salaries and Fringe Benefits	\$	51,188.74
Q2 2023 Professional Fees	\$	4,979.75
Q2 2023 Other Business Expenses	\$	20,860.39
Q2 2023 Rental Income	\$	(5,925.84)

Total Q2 2023 Voucher	\$	71,103.04
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Q1 2022 Voucher Paid April 2023	\$	87,026.42
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Total Remaining	\$	72,870.54
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UPDATE

Daigle Cleaning

Kevin Catalano

From:
Sent:
To:
Subject:

Attachments:

Kevin,

It was nice to catch up on Monday.

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"Daigle Cleaning Systems Response to RPI and their Attorney's Media Press Release Against Our Family Business and Employees"

I wanted to address the claim and recent public statements by Rensselaer Polytechnic Institute's attorneys regarding our family's business, Daigle Cleaning Systems. Twelve years ago my mother, Michelle Daigle and I started a small cleaning business. Today we employ over 130 dedicated employees and two franchise owners that have worked to build a reputable business that services hundreds of satisfied commercial and residential clients throughout the Capital Region, Central and Southern New York and parts of Vermont.

As has been reported, our former employee (a cleaning technician not a janitor), contributed to an accident at RPI with good intentions. It was not a malicious act. It happened, and we were placed on notice by RPI and in turn cooperated fully with their public safety department during their investigation. We placed our liability insurance carrier on notice and negotiations have been ongoing for two years, without a mutually agreeable outcome.

It is very disappointing, that because of a mutually agreeable outcome not being reached that the leadership of Rensselaer Polytechnic Institute decided to make public disparaging allegations against our family business through press releases and cast all of the fault on our family's business and our employees. What is further disappointing, is that RPI through its' attorney inflicted an unnecessary negative national spotlight on our employee who is simply a good young man referred to us by the organization Living Resources that wanted to enjoy the dignity and respect of having a job. We offer an inclusive work environment to all that want to work.

All of our cleaning professionals are provided with training consistent with the work environment where they will be serving our clients. Like any job, there are unforeseeable circumstances and surprise situations that are not part of the expected duties to be performed. Had RPI alerted us to their faulty alarm system, this unfortunate incident could have been avoided.

We do not understand why Rensselaer Polytechnic Institute decided to wage a public relations battle against a family business that was ironically started by a once proud alum (class of 2011) who used the education from this very institution to start our business. It has been suggested to us that RPI (with its' great resources) simply failed to invest in the proper safeguards, back-up systems and appropriate preventative measures to protect their research and does not want to take responsibility for the vulnerabilities they created. I hope that's not true but I will take the lessons learned from my alma mater and stand up for my family and my employees and defend what is right.

We have been encouraged and overwhelmed with the outpouring of support from our many satisfied customers, past and present as we forge through this David vs. Goliath endeavor, and we will continue to operate our business as usual and grow from this experience.

We are extremely proud of each and every one of the hardworking employees on our team and the culture that we have built here at Daigle Cleaning Systems. Each day we live out our core values of communication, integrity and teamwork and we have continued to do so since this story was released.

Respectfully,

Derek Foster

Derek Foster, Owner
Daigle Cleaning Systems Inc.
518-763-9200
dfoster@daigleclean.com

MEMORANDUM

To: ACBDC Board of Directors
From: Kevin Catalano – Director of Commercial Lending
Re: Energy Catalyst Technologies – Letter of Support
Date: July 20, 2023

Matthew Desmaris and Energy Catalyst, LLC (EC) along with Hydro-Temp Corp, are one of 4 finalists in a Department of Energy \$10 Million grant application to build a facility in Albany County to produce heat pumps.

As part of the grant application, Mr. Desmaris is seeking a letter from ACBDC demonstrating possible support in the amount up to \$500,000 with the condition that EC is the Finalist for the Grant and needs the funds to demonstrate a local share / local support for the project.

Mr. Desmaris is seeking a similar letter from the County as EC could be eligible for a grant under the STAGE Act.

The concept paper provided by Mr. Desmaris is included in the packet and outlines the DOE Grant.



July 20, 2023

Funding Opportunity Announcement
Number DE-FOA-002987
DOE Heat Pump Defense Production Act
Control Number: 2987-1533

Re: Letter of Support – Two Heat Pump Factories: Tenfold increase of domestic production of ground-source heat pumps at two factories located in disadvantaged communities.

Dear Department of Energy,

On behalf of the Albany County Business Development Corporation's Board of Directors, we are writing to express our strong support for Energy Catalyst's application to the Department of Energy - Heat Pump Defense Production Act Program. The Energy Catalyst expansion project directly aligns with Albany County's Climate initiatives and New York State's Climate Leadership and Community Protection Act (CLCPA).

Albany County Business Development Corp, as Administrator of the AI Tech Loan Fund, is open to entertaining a loan in the amount of \$500,000, on top of the current loan of \$150,000 to support the growth and development of this project in Albany County. Ensuring Energy Catalyst, LLC continues to grow and invest in our County is of the utmost importance and I encourage you to look favorably upon their application.

Sincerely

Allen Maikels
Secretary – Treasurer
Albany County Business Development Corp.

DOE Heat Pump Defense Production Act Program

(FOA) Number: DE-FOA-0002987

Control number: 2987-1533

Topic Area 1: New or additional domestic production capability

Two Heat Pump Factories: Tenfold increase of domestic production of ground-source heat pumps at two factories located in disadvantaged communities

Hydro-Temp Corporation:

3636 US-67, Pocahontas, AR 72455

Technical Point of Contact: William Hudson, willh@hydro-temp.com, (870)-243-7235

Business Point of Contact: Steven Hudson, steveh@hydro-temp.com, (870) 892-8343

Energy Catalyst LLC

513 25th Street, Watervliet, NY 12189

Technical and Business Point of Contact:

Matthew Desmarais, mattd@energycatalysttech.com, (802)-793-0863

Secondary Point of Contact: Alex Briggs, Alexb@energycatalysttech.com

NOTICE: This entire document is considered confidential. It includes details on business agreements and partnerships which are strictly confidential.

Small Business Status: Both companies involved in this co-development are small businesses that are domestically owned and operated.

Scope and Objectives: With the Defense Production Act funding, Hydro-Temp (HT) and Energy Catalyst (EC) propose a co-development to increase their heat pump production by ten fold.

Hydro-Temp Corp. is a contract manufacturer in Pocahontas, AR and currently manufactures the subassemblies used to build Energy Catalyst heat pumps as well as brand label manufacturing for other heat pump brands such as Geo-Cool.

Energy Catalyst is a growing heat pump manufacturer and technology company based in Watervliet, NY who manufactures the only ground source Energy Star certified heat pump in North America that can reuse the existing heating infrastructure of a home heated with baseboard or radiators. The partnership between these two companies is mutually beneficial. Hydro-Temp expands their sales territory to the rapidly growing market in the northeast, while Energy Catalyst leverages the Hydro-Temp scalable manufacturing facility to accelerate availability of their innovative heat pump designs specific for the northeast market.

The funding requested within this application will be used to expand and automate the production spaces of these two existing domestic heat pump manufacturers. The funding will reduce the production cost of these domestic ground source heat pumps and increase the supply of these heat pumps in the market by 10 times.

Hydro-Temp is poised to begin major expansion of facilities and tooling. They are in the early stages of finalizing an agreement with a new U.S. partner to produce units under a third party label to go along with two other agreements currently in place. The company needs additional manufacturing space and new tooling to increase the manufacturing capacity 10 fold, from the current 250 units/yr to over 2,500 units/yr by 2025. The proposed facility upgrades will allow for expansion of manufacturing capacity to exceed 5,000 units/yr by 2027 if there is sufficient demand (a 20 fold increase, see Table 1 for details). The company has arrangements for the matching funds according to the grant requirements.

Energy Catalyst plans to relocate from a rental space and build (or renovate) a facility that will allow their manufacturing capabilities to meet the current and expected future demand. Energy Catalyst will outlay \$6.5M for a 30,000-50,000 square foot facility which will contain automated manufacturing equipment, an assembly line, a hot water buffer tank manufacturing line, high accuracy testing lab, contractor training room and office space for support staff. This new facility will allow EC to reduce the manufacturing cost of a typical heat pump by an estimated \$5,500 per unit or approximately 45%.

Project Location: Both sites of this project will be located inside federally recognized disadvantaged community zones. HT plans to build a new 40,000 sq ft manufacturing facility on the adjacent 25 acre property in Pocahontas, AR.

Currently, EC operates from a building that is 1 street away (6th street) from a disadvantaged community (on 5th street), but will build their new factory inside the nearby disadvantaged community zone.

Production capacity: As outlined above, grant funds would expand production capacity from 250 heat pumps per year to 2,500 heat pumps annually by 2025.

Hydro-Temp has a letter of intent for 1,000 additional heat pumps a year from **CENSORED** and is therefore very well positioned for this grant funding because their sales and manufacturing capacity will both grow sharply as a result of the project. The combined production capacity of HT and EC could reach 5,000 heat pumps per year once upgrades are completed at Hydro-Temp's existing 23,000 sq ft production facility and the new 40,000 sq ft manufacturing facility on the adjacent 25 acre property is completed.

Table 1. Heat Pump Manufacturing Capacity*

Year	Hydro-Temp	Energy Catalyst	Total	Notes
2022	245	5	250	Baseline production year
2023	250	30	280	
2024	1,250	100	1,350	Year 1 of project funding and contract with CENSORED begins
2025	2,000	500	2,500	Completion of EC production site
2026	3,000	750	3,750	HT new facility operational
2027	4,000	1,000	5,000	Reserve year

*Assumes successful funding from FOA 2987

Market Overview: Hydro-Temp is a premier ground source heat pump manufacturer that has been in business for over 45 years. Hydro Temp has secured a letter of intent from an international brand to manufacture 1,000 heat pumps per year and can potentially increase in future years. From the growth of sales from EC and other brands, HT has an active market potential to increase sales to over 10 times their current capabilities by 2025 and could be expanded further with sufficient capital investment.

EC is located in New York where heat pump sales are expected to grow exponentially in the next decade. The state of NY has committed to 2 million heat pump ready homes by 2030 and passed All-Electric Building codes that would prevent fossil fuels from being used in new building construction starting in 2026. EC currently produces the only heat pump capable of reusing the existing hot water infrastructure for over 2.5M homes in NY. From their new facility in New York, EC will be able to sell and support installing contractors more easily than their western or foreign competitors. EC is the only domestic ground-source heat pump manufacturer in the Northeast Region of the US.

Domestic Supply Chain Impact: The proposed project will increase the production capability of heat pump systems manufactured by 2 US owned companies by tenfold by 2025.

Additionally, the project includes automated machinery that will reduce reliance on foreign components and reduce component cost. These components are as follows:

2987-1533_Hydro-Temp Corp. / Energy Catalyst_Concept Paper

1. Printed circuit boards: An automated pick and place machine will be purchased which can produce several hundred controllers per week. These will replace the purchase of Siemens controls from Europe. Reduce component cost by 85%.
2. Hot water buffers: New manufacturing line for producing our own hot water buffer tanks. Reduce component cost by 65%.
3. Automated pipe bender: Automates a time consuming step in heat pump manufacturing, decreasing component cost by 50%.
4. Sheet metal powder coating: Add powder coating after existing sheet metal press to eliminate need for using external powder coating facilities.

The anticipated impact of this project is that production costs will decrease by 45% per heat pump, through a combination of automation, component self-production and economies of scale. Eliminating components produced overseas will strengthen US supply chain resiliency while simultaneously improving US competitiveness.

Community Benefits Plan Approach: We are committed to the goals of the Justice40 Initiative. We plan to implement this in the following ways.

Labor and community: HT will set up cooperative agreements with the Arkansas State University system and Black River Technical College (BRTC) for an HVAC job development program. BRTC is located in a disadvantaged community and the job training program will help their students gain high paying manufacturing and installation positions.

EC will locate their new facility inside a registered disadvantaged community and will hire 40% or more of their workers from the surrounding communities. Through the training partnerships with the SEAT Center (a NY state supported training center for underserved communities) EC aims to provide job training and job opportunities to the underserved residents of this area potentially affecting hundreds of students over the next decade. Building renovations and construction will use union labor wherever possible.

Workforce continuity: HT will hire approximately 40-60 new employees and it is expected that greater than 80% will live in a Justice40 community. EC will hire approximately 20-30 new employees and has committed to hiring greater than 40% from the surrounding community.

Advancing diversity, equity, inclusion, and accessibility: Both HT and EC promote the fair treatment and full participation of all people, especially those who have historically been underrepresented or subject to discrimination on the basis of identity or disability. Both companies have policies that seek a diverse and safe working environment for their workers.

Justice40 Initiative: All of the investments made through this grant for manufacturing facility improvements will be located in a Justice40 disadvantaged community.

Project Impact: With this funding, HT and EC will be able to increase their production from 250 to 2,500 heat pumps per year by 2025. In addition, the funding will support the purchase of machinery and automated processes that will improve supply chain reliability and reduce cost, improving competitiveness with foreign manufacturers. The project is expected to create 70 initial jobs and 80-110 long-term, good paying jobs in a disadvantaged community.

Table 2. Project Impact and Job Growth

Manufacturer	Short-term Jobs	Permanent Jobs
Hydro-Temp	40	60-80
Energy Catalyst	30	20-30
Total	70	80-110

Our electric ground source heat pump is the most efficient method to convert a building with existing hydronic heating, and it has 38% lower emissions than comparable Energy Star rated air source heat pumps and 83% lower emissions than an Energy Star rated fuel oil boiler.

Table 3. Project Impact on Carbon Emissions*

Installed heat pumps per year	CO2 savings per year (metric tons)	Carbon equivalent of cars taken off the road
2,500	16,000	3,478

*Based on estimated 6,400 lbs CO2 savings per home and 4,600 lbs of CO2 per year emitted from an average vehicle (Source: EIA).

Impact of DOE Funding: With or without the proposed funding, HT & EC plan on the proposed expansion with a tentative timescale of ~10 years to fully reach the proposed production levels. DOE funding will accelerate domestic heat pump manufacturing capability by 6-7 years. Funding will further increase domestic manufacturing of key components, increase competitiveness with foreign made heat pump systems, create new training programs, invest in disadvantaged communities, and provide up to 110 permanent, good paying jobs targeted for underserved communities.

For EC and HT, the DOE funding will be partially matched by state funding sources for a combined total of \$4.5M in matching state and local funding. These funds are dependent on winning the DOE funding. The combined DOE and State and local funding will enable the attraction of further Equity funding. See Table 4 for funding source details.

For the last 10 years, Hydro-Temp has manufactured the most efficient closed-loop ground source heat pump on the market as certified by ENERGY STAR: [model VVV10030***1*C***](#). The DOE funding will make this and similar top tier ground-source heat pumps more price competitive against their foreign competition.

According to the ENERGY STAR® Unit Shipment and Market Penetration Report Calendar Year 2021 Summary, there were approximately 27,000 ground-source heat pumps sold in the US in 2021. The proposed manufacturing expansion could increase production capacity upwards of 5,000 heat pumps per year, or approximately 18.5% of the current market.

Addendum:

Team Qualifications: The project team has 145 years of combined experience in engineering, manufacturing and geothermal heat pump design. They have 1 issued utility patent and 4 patents pending.

Steven Hudson- 42+ years of ground-source heat pump manufacturing experience

William Hudson- 11+ years of ground-source heat pump manufacturing experience

William M. Jones- 48+ years of manufacturing experience, holds several patents on ground-source heat pump technologies. Founder of Hydro-Temp Corporation

Matthew Desmarais- 10+ years of HVAC design experience, several patents pending on ground-source heat pump technologies

Anthony Collins- 30+ years of engineering experience, former President of Clarkson University. Oversaw 5 major facility construction projects, totalling over 200,000 sq ft.

Alex Briggs- 4+ years of engineering experience

Hydro-Temp is a 45 year old, industry leader in ground source heat pump manufacturing which employs 17 people, 88% of whom are located in a federally recognized disadvantaged community. EC and HT have been working together for over two years and have a high degree of trust and cooperation between the two companies. Steven H. and William M.J. designed and built the current 23,000 sq ft manufacturing space as well as implemented several major renovations. The EC team will draw from their 40+ years of engineering experience as well as from the expertise from the HT team and building partners to build their manufacturing site.

Cost Share: HT will raise \$5M from a mix of working capital loans and sale of equity. Letters of intent will be provided in the full proposal. Energy Catalyst has spoken with Empire State Development Corp. about the Consolidated Funding Application process and EC will be eligible for a 20% funding match up to \$2M for this project. In addition, the Workforce Development Capital Grant program could contribute \$500K towards the community heat pump training center and Albany County will contribute \$1M in local tax credits for retrofitting a historic warehouse in a disadvantaged community. Letters of support will be provided in the full proposal. EC will contribute to the cost share by paying the employee salaries, which shall total \$1M or greater during the construction period. This leaves \$500K for EC to contribute through an equity raise. See Table 4 for full details.

Table 4. Project Costs and Funding Sources

Funding Source	Hydro-Temp	Energy Catalyst
DOE Grant Funding	\$5,000,000	\$5,000,000
Matching State Funding	\$1,000,000	\$2,500,000
Consolidated Funding Application	\$0	\$1,000,000
Historic Tax Credits	\$0	\$1,000,000
Capital Raised from Sale of Equity	\$5,000,000	\$2,000,000
Total Capital Available	\$11,000,000	\$11,500,000
Project Costs	\$10,000,000	\$10,000,000

Risk Mitigation plan:

For EC and HT, there are several potential risks:

1. Unsuccessful procurement of State matching funds.
2. Unforeseen project costs could be larger than expected, requiring more investment.
3. Permits may take longer than expected, delaying production capacity growth.
4. Workforce limitations.
5. Manufacturing equipment may take longer than expected to be delivered.
6. Contract with **CENSORED** doesn't materialize.

There are several ways that these risks will be mitigated. First of all, EC is projecting that local and state matching funds will reduce the amount of money needed to be raised to \$500k. EC will raise \$2M though, to provide a larger buffer from overruns or slower than expected sales. In addition, EC is in talks with a geothermal pipe manufacturer who would like to lease 4,000 sq ft of their building for \$50-60k per year. This guaranteed income will help to cover expenses associated with the building and allow EC to purchase these heat exchangers for lower cost. Lastly, the projects at HT and EC will establish a 3 year project completion timeline, which leaves a 1 year reserve to cover for any delay in equipment delivery or permitting delays.

To address a shortage in workforce, local labor unions and prevailing wage labor shall be utilized to the greatest extent possible.

If the contract for 1,000 heat pumps with **CENSORED** doesn't materialize, this will be a setback, but the extra production capacity can be utilized for other product vendors. In the past year, HT and EC have been approached for small contracts by several companies. HT could accept multiple smaller contracts until a larger one could be found. In the worst case scenario, where no new brand-label contracts could be accepted, the scope of work for HT could be reduced. HT should be able to secure state funding to reduce their expenditure by \$1M.

RESOLUTION

Supporting Grant Application of Energy Catalyst, LLC to U.S. Department of Energy

WHEREAS, Energy Catalyst, LLC of Watervliet, New York (“**Energy Catalyst**”), in cooperation with Hydro-Temp Corporation of Pocohantas, Arizona, is making application to the United States Department of Energy under the Heat Pump Defense Production Act Program for grant funds to support an initiative to expand by ten-fold their production of ground-source heat pumps; and

WHEREAS, the expansion planned by Energy Catalyst would involve an outlay \$6.5 million for a 30,000-50,000 square foot facility which will contain automated manufacturing equipment, an assembly line, a hot water buffer tank manufacturing line, high accuracy testing lab, contractor training room and office space for support staff, and would allow Energy Catalyst to reduce the manufacturing cost of a typical heat pump by an estimated \$5,500 per unit or approximately 45%, leading to up to creation of 30 additional short-term and permanent jobs; and

WHEREAS, the Energy Catalyst heat pump manufacturing expansion initiative directly aligns with Albany County’s Climate initiatives and New York States Climate Leadership and Community Protection Act; and

WHEREAS, the Heat Pump Defense Production Act Program requires local matching funds, and the Energy Catalyst expansion plans align with the mission and lending objectives of ACBDC;

NOW, THEREFORE, BE IT RESOLVED that this Board supports the application of Energy Catalyst to the United States Department of Energy under the Heat Pump Defense Production Act Program for grant funds to support expansion of its ground-source heat pump manufacturing capacity, as described above; and be it further

RESOLVED, that should Energy Catalyst’s Heat Pump Defense Production Act Program grant application be approved and funded, this Board, subject to ACBDC’s normal underwriting and approval process, will entertain a loan from ACBDC’s revolving loan fund to Energy Catalyst in an amount of \$500,000; and be it further

RESOLVED, that the Treasurer of ACBDC is hereby authorized and directed to send an appropriate letter to the United States Department of Energy, expressing this Board’s support for the Energy Catalyst Heat Pump Defense Production Act Program grant application.

Shovel Ready Site
Development Fund

RESOLUTION

Establishing Shovel Ready Site Development Program

WHEREAS, pursuant to a certain Grant Agreement dated February 16, 1976 (the “**Grant Agreement**”), between the New York State Department of Commerce – Trust Fund 226-01, and the United States Department of Commerce Economic Development Administration (the “**EDA**”), a \$10 million grant under Title IV of the Public Works and Economic Development Act (the “**Grant**”) was awarded to the New York State Department of Commerce to make a loan to the Al Tech Specialty Steel Corporation to purchase two steel manufacturing plants in each of Albany County and Chautauqua County in New York State, which loan funds were, upon repayment, to be used to make loans for economic development in these two counties; and

WHEREAS, the New York State Job Development Authority (“**JDA**”) was designated by the New York State Department of Commerce to receive the aforesaid loan repayments from the Albany County steel manufacturing plant purchase, which thereafter used the repayment monies to capitalize a revolving loan fund for Albany County businesses (the “**Al Tech Revolving Loan Fund**”), to be administered under and subject to the terms of the Grant Agreement and the applicable EDA regulations; and

WHEREAS, by Transfer Agreement dated August 15, 2006 between JDA and Albany County Business Development Corporation (“**ACBDC**”), with the consent of EDA, the Al Tech Revolving Loan Fund (both funds and Outstanding Loans (as defined in the Transfer Agreement)) and all rights and obligations under the Grant Agreement were transferred and assigned to and assumed by ACBDC; and

WHEREAS, pursuant to the Reinvigorating Lending for the Future Act (Pub. L. 116-192) and upon request from the ACBDC, the EDA released its federal interest the Al Tech Revolving Loan Fund so as to conditionally allow the monies in that Fund to be used for broader economic development purposes that continue to carry out the economic development purposes of the Public Works and Economic Development Act of 1965 (“**PWEDA**”), and

WHEREAS, the capital base of the Al Tech Revolving Loan Fund as of June 30, 2023 was the amount of \$19,747,147.61 (the “**Al Tech Fund**”); and

WHEREAS, Albany County, in furtherance of its coordinated economic development strategy spearheaded by the Advance Albany County Alliance Local Development Corporation (the “**Alliance**”), has identified the need to redevelop commercial and industrial properties within Albany County which have been abandoned or may be under-utilized due to obsolescence, market changes, infrastructure limitations or deficiencies, and/or environmental concerns, as a means of fostering economic development and job creation by developing and/or redeveloping scarce land resources and alleviating pockets of socioeconomic deterioration which sometimes surround such properties (the “**Shovel Ready Site Development Program**”); and

WHEREAS, recent federal legislation is spurring a manufacturing renaissance in the United States and over the next five (5) years, companies will make siting decisions that will shape local economies for decades to come, making strategic investments in industrial sites particularly

advantageous in addressing several key objectives of the Albany County economic development strategy and positioning the County to benefit from these investments; and

WHEREAS, the Alliance has requested financial assistance from the ACBDC to be used for certain expenses required to evaluate, initiate and implement development and redevelopment of properties within Albany County as part of the Shovel Ready Site Development Program, and the AI Tech Fund, with its substantial financial resources and commitment to job creation in Albany County, is uniquely positioned to make a significant impact in the County's industrial manufacturing landscape; and

WHEREAS, by allocating a portion of the AI Tech Fund towards the Shovel Ready Site Development Program, ACBDC can foster economic growth, promote innovation, and create job opportunities in the alternative energy, green technology, and life sciences manufacturing sectors of Albany County; and

WHEREAS, pursuant to New York Not-for-Profit Corporation Law Section 1411, ACBDC has the power to construct, acquire, rehabilitate and improve for use by others industrial or manufacturing plants in the County of Albany, and to assist financially in such construction, acquisition, rehabilitation and improvement.

NOW, THEREFORE, BE IT RESOLVED that this Board finds and determines that the Shovel Ready Site Development Program is consistent with (a) the statutory purposes of ACBDC to relieve and reduce unemployment, promote and provide for additional and maximum employment, and better and maintain job opportunities, and (b) the economic development purposes of PWEDA to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas of Albany County; and be it further

RESOLVED, that this Board does hereby establish the ACBDC Shovel Ready Site Development Program, such Program to be operated and administered in accordance with the Program Description attached hereto, and be it further

RESOLVED, that the sum of One Million and 00/100ths (\$1,000,000.00) Dollars is hereby set aside from the AI Tech Fund and dedicated to the ACBDC Shovel Ready Site Development Program.

ACBDC Shovel Ready Site Development Program

Program Guidelines

The ACBDC Shovel Ready Site Development Program (the “**Program**”) shall provide grants (each a “**Grant**” and collectively, the “**Grants**”) to the Advance Albany County Alliance Local Development Corporation (the “**Alliance**”) for the purpose of aiding in the development or redevelopment of commercial and industrial properties within Albany County which have been abandoned or may be under-utilized due to obsolescence, market changes, infrastructure limitations or deficiencies, and/or environmental concerns, as a means of fostering economic development and job creation by developing and/or redeveloping scarce land resources and alleviating pockets of socioeconomic deterioration which sometimes surround such properties.

The amount of each Grant under the Program shall be set by vote of the ACBDC Board. The ACBDC Board shall consider and award each request for a Grant by the Alliance for a specific property which the Alliance had identified for possible development or redevelopment as aforesaid.

Grant requests shall be made on a form prescribed by ACBDC. The following categories of expenses shall be eligible for funding with Grant funds:

1. Site analysis, including environmental and physical site inspection, testing and evaluation;
2. Site plan development;
3. Site access control expenses;
4. Site remediation (other than environmental remediation) for the purpose of readying a site for commercial or industrial use; and
5. Legal, engineering and other consulting fees, and appraisal, survey, title and other similar costs and expenses.

Each Grant shall be subject to a grant agreement between ACBDC and the Alliance, the substantive terms of which shall be consistent with these Program Guidelines. ACBDC shall advance the amount of each approved Grant in total to the Alliance. Following the award of each approved Grant, the Alliance shall provide to the ACBDC Board, on a quarterly basis, evidence of its expenditures of Grant funds in sufficient form and detail as reasonably necessary to reflect compliance with these Program Guidelines. Any Grant funds used in a manner not consistent with these Program Guidelines shall be reimbursed to the ACBDC. Any Grant funds remaining unexpended upon the redevelopment of the specific property subject to a Grant shall be repaid to the ACBDC.

All Grant Funds shall be subject to the following restrictions:

- a. The Alliance shall not use Grant Funds to construct schools, community centers, municipal buildings, or otherwise use Grant Funds to carry out activities outside of the economic development purposes of PWEDA, nor shall the Alliance use Grant Funds to pay general costs of government.

- b. The Alliance shall not transfer Grant Funds to a natural person, for-profit entity, or other entity ineligible for award under sections 3(4) and 209 of PWEDA (42 U.S.C. § 3122(4) and § 3149). For the sake of clarity, Grant Funds may be used to contract with for-profit entities for goods and services for one or more activities that continue to carry out the economic development purposes of PWEDA.
- c. Grant Funds must be used in a manner consistent with EDA's non-relocation policy. Specifically, the Alliance shall not use Grant Funds to induce the relocation of existing jobs within the U.S. that are located outside of a jurisdiction to within that jurisdiction in competition with other U.S. jurisdictions for those same jobs.
- d. Grant Funds must be used in accordance with section 602 of PWEDA (42 U.S.C. § 3212). Specifically, the Alliance shall ensure that all laborers and mechanics employed by contractors or subcontractors on projects assisted by Grant Funds shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor as provided by section 602 of PWEDA or as it may be amended in the future.
- e. The Alliance shall use Grant Funds in accordance with applicable federal, state, and local law, including applicable non-discrimination law. The Alliance may not use Grant Funds for any purpose that would be prohibited by the Establishment Clause of the U.S. Constitution if the Grant Funds were expended directly by the Federal Government.
- f. The Alliance shall provide timely and accurate responses to ACBDC inquiries regarding the Alliance's use of the Grant Funds.

Proposal to Create The Albany County Shovel Ready Site Development Fund

This proposal of a strategic initiative for consideration by the Albany County Business Development Corporation (ACBDC) aims to leverage the AI Tech Trust Fund to invest in industrial sites throughout the County. By allocating a portion of the fund towards this purpose, ACBDC can foster economic growth, promote innovation, and create job opportunities in the alternative energy, green technology, life sciences manufacturing sectors of Albany County. The AI Tech Trust Fund, with its substantial financial resources and commitment to job creation in Albany County, is uniquely positioned to make a significant impact in the County's industrial manufacturing landscape. The time is right for this effort: recent federal legislation is spurring a manufacturing renaissance in the United States and over the next five years companies will make siting decisions that will shape local economies for decades to come by strategically investing in industrial sites, we can address several key objectives of our economic development strategy and position the County to benefit from these investment:

1. **Industrial Infrastructure Development:** Investing in existing industrial sites or developing new ones will enhance the infrastructure required to attract or expand industrial operations. This will attract businesses, stimulate growth, and support the overall economic development in the County.
2. **Reducing Barriers to Investment:** In addition to infrastructure investment, funding can support predevelopment activities such as environmental reviews, remediation studies, permitting and site plan development to make County sites more attractive to investment.
3. **Promote Sustainable Technology/Green Tech:** By incorporating advanced technologies and sustainable practices in industrial sites, we can promote efficient and eco-friendly operations.
4. **Job Creation and Skills Development:** Expanding industrial sites will create employment opportunities for local communities. In doing so, we can collaborate with educational institutions and vocational training centers to develop specialized programs that equip individuals with the skills needed for the evolving industrial landscape.
5. **Research and Development:** Establishing research and development facilities within industrial sites will encourage collaboration between academia and industry. This synergy will facilitate innovation, the development of new technologies, and the creation of high-value products, strengthening our competitive advantage in the global market.

To implement this proposal, the following steps are proposed:

1. **Establish Funding Mechanism:** Creation within the ACBDC, a Shovel Ready Site Development Fund at \$1million. Since the AI Tech Trust Fund has been de-federalized in 2022 it is the opportune time to reevaluate the use of the fund and target it more strategically towards the County's economic strategy

2. **Partnership Development:** Forge partnerships with relevant stakeholders, including local governments, industry associations, and private investors. Collaboration will help pool resources, share expertise, and ensure a coordinated effort towards industrial site development.
3. **Investment Strategy:** Develop a clear investment strategy that outlines the criteria for site selection, investment allocation, and expected returns. Consider factors such as job creation potential, technological integration, and long-term sustainability.
4. **Project Implementation:** Establish a dedicated team within the Alliance to be responsible for executing the investment plan. This team should oversee site development, infrastructure enhancement, technology integration, and monitoring of project progress.
5. **Evaluation and Review:** Regularly evaluate the impact of investments made through the ACBDC/AI Tech Trust Fund. Assess key performance indicators such as job creation, revenue generation, environmental impact, and technological advancements. Use this feedback to refine strategies and maximize the fund's effectiveness.

Allocating a portion of the AI Tech Trust Fund towards industrial site investments is a prudent and forward-thinking approach, consistent with the County economic development strategy and will have quantifiable outcomes. This initiative has the potential to stimulate economic growth, foster innovation, and benefit all the County's residents and communities.

**Albany County Business Development Corporation
Shovel Ready Site Development Fund
Grant Application**

[Your Name]

[Your Organization] [Address] [City, State, ZIP] [Email Address] [Phone Number] [Date]

[Grant Review Committee] [Grant Funding Organization] [Address] [City, State, ZIP]

Dear [Grant Review Committee],

I am writing to submit an application for grant funding to support the development of industrial infrastructure on the (XXX) site.

I. Executive Summary: In this section, provide a brief overview of the specific project for which you are seeking grant funding. Highlight the expected outcomes and the potential impact on the local economy, job creation, and environmental sustainability.

II. Background and Needs: Describe the current state of industrial infrastructure within Albany county, including any limitations or challenges that hinder the County's ability to attract new manufacturers to the County, help existing manufacturers expand or to assist new start-up companies identify sites with the infrastructure to support their operations. Explain how the proposed infrastructure development project will address these needs and overcome existing obstacles.

III. Project Description: Outline the specific details of the infrastructure development project. Include the following information:

1. Scope of the Project: Describe the size, scale, and purpose of the proposed infrastructure development, highlighting the areas it will cover and the facilities it will include.

2. Timeline: Provide a detailed timeline for the project, including key milestones, anticipated start and completion dates, and any interim deliverables.
3. Budget and Funding Request: Present a budget for the infrastructure development project, including costs for design, environmental remediation/mitigation, construction, equipment, permits, and any other relevant expenses. Clearly indicate the amount of funding you are requesting from the grant program and specify how it will be utilized.

IV. Project Benefits and Impact: Demonstrate how the proposed infrastructure development project will benefit the County, the local community, and the county's economy in general. Discuss the anticipated positive impacts in terms of job creation, increased productivity, enhanced competitiveness, and potential collaborations with other local businesses. Also state how the project is consistent with the Albany County Economic Development Strategy

V. Sustainability and Environmental Considerations: Address any sustainability initiatives associated with the project. Describe how the infrastructure development will incorporate environmentally friendly practices, resource efficiency, waste reduction, or renewable energy sources.

VI. Organization's Capacity: Provide information about your organization's capacity to successfully execute the proposed project. Highlight relevant past experiences, expertise, and any partnerships or collaborations that will contribute to the project's success.

VII. Evaluation and Measurement: Outline the metrics and methods you will employ to measure the success and impact of the infrastructure development project. Explain how you will track and report the progress and outcomes achieved through the grant funding.

VIII. Conclusion: Summarize your application, restating the importance and benefits of the proposed infrastructure development project. Provide your contact information for any further inquiries or discussions.

Thank you for considering our grant application. We are excited about the potential of this infrastructure development project and its positive impact on our organization and Albany County at large. We look forward to the

opportunity to discuss our proposal further and provide any additional information required.

Sincerely,

[Your Name] [Your Position] [Your Organization]

RESOLUTION

Authorizing Investment of ACBDC Funds in United States Treasury Securities

WHEREAS, Article IV, Section 2 of the Albany County Business Development Corporation (“**ACBDC**”) Bylaws, provides that funds of ACBDC may be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as this Board may deem desirable; and

WHEREAS, ACBDC’s Investment Policy authorizes investment of excess ACBDC funds from cash accounts in U.S. Government backed securities, to include United States Treasury Bills; and

WHEREAS, ACBDC is in receipt of a proposal from Wilmington Trust, a Division of M&T Bank, offering investments in United States Treasury Bills with three month, six month, nine month and twelve month maturities, with yields of 5.27%, 5.36%, 5.16% and 5.18% respectively, which has been presented to this Board (the “**Wilmington Trust T-Bill Proposal**”); and

WHEREAS, investment in short-term United States securities can significantly improve interest earnings for ACBDC with minimal risk, while maintaining liquidity sufficient to meet ACBDC’s cash requirements.

NOW, THEREFORE, BE IT RESOLVED that this Board authorizes investment of ACBDC funds in an amount of \$_____ in short term United States Treasury Bills in accordance with the Wilmington Trust T-Bill Proposal ; and be it further

RESOLVED, that each of the ACBDC Treasurer, and the Chief Executive Officer and Chief Financial Officer of the Advance Albany County Alliance Local Development Corporation, as agents of ACBDC, is authorized to execute and deliver such documents on behalf of ACBDC as is necessary or convenient to bring this resolution into effect.