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ESD ANNOUNCES \$100 MILLION FOR INTERNATIONAL GEM TOWER

Tower will be a world-class center for the diamond and precious gem industry; Retention and creation of up to 3,000 new jobs likely

Empire State Development today announced that New York State will make available up to \$100 million in Job Development Authority (“JDA”) loans for firms in the diamond and precious gem industry to purchase condominium units in the International Gem Tower in Midtown Manhattan’s Diamond District. It is projected that the construction of the Tower and the ability of firms to have ownership of their space will retain and create up to 3,000 jobs.

“The International Gem Tower will further establish New York as the center of international trade and local revenue,” said Governor David A. Paterson. “Once completed, the Tower will rival leading competitors across the globe with its state-of-the-art technology, services and Foreign-Trade Zone designation. The International Gem Tower will also be instrumental in creating and retaining thousands of jobs for New York State. The world-class center for the diamond and precious gem industry will help to foster economic activity abroad and expand the State’s presence around the world.”

“Working with Governor Paterson, we are dedicated to ensuring that our investments are creating the most efficient, productive and competitive economic development climates in the country – and across the world,” said Empire State Development Chairman & CEO Dennis M. Mullen. “The International Gem Tower is a transformational project, which will distinguish New York State and give us a competitive advantage in the global marketplace. This project is a leading example of our go-to-market strategy at work—it focuses on both job development and capital investment and will affirm New York State’s role as a leader in international trade and investment.”

“We are immensely proud of this project, and what it means to the City of New York,” said Gary Barnett, President of Extell Development. “The International Gem Tower is a wonder of state-of-the-art technology that will put New York at the heart of the world diamond and gem industry. The overall benefits and economic impact for the City of this project will reverberate for decades. In making use of the JDA program to support this project, Chairman Mullen has found a creative, low-cost approach to stimulating economic growth and we applaud his leadership and initiative.”

“Among New York’s many strengths are its role as a center for international trade – a role that creates jobs for thousands of New Yorkers and generates significant tax revenues for the City,” said New York City Economic Development President Seth W. Pinsky. “The International Gem

Tower will help New York build on this strength by preserving and expanding an important industry in which New York has traditionally been a worldwide leader.”

Extell Development Company is constructing the 34-story International Gem Tower as a state-of-the art, industry-specific building to serve the needs of the diamond industry in New York City. The 748,000 sq. ft. commercial facility will be located mid-block on West 47th St. between 5th and 6th Avenues in the heart of the Diamond District. Over ninety percent of the diamonds that enter the United States go through New York City and most of them go through the Diamond District.

On May 27, the Foreign-Trade Zones Board of the United States Department of Commerce announced the approval of the International Gem Tower as a Foreign-Trade Zones (FTZ). As a result, businesses located in the Tower will be permitted to import foreign merchandise without Customs entry or the payment of United States duties until the goods are sold. No duty will be payable on re-exported goods.

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Empire State Development is New York's chief economic development agency, committed to being recognized on a global scale as the economic development engine driving job growth, strategic investment and prosperity in New York State. ESD is intent on paving the way for New York State to become the leader of the innovation economy and one of the most business friendly, productive and competitive economic development climates in the world. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit www.esd.ny.gov.