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ESD ENVIRONMENTAL AWARDS ASSIST UPSTATE NEW YORK BUSINESSES

*American Aerogel Corp., High Tech Rochester Inc. and Delta Hardwood Flooring
will retain and create jobs, invest in region*

Empire State Development (ESD) today announced that three Upstate New York businesses will receive Environmental Investment Program (EIP) awards to move forward with their projects. EIP helps manufacturers, like American Aerogel Corporation of Rochester and Delta Hardwood Flooring of Ava, as well as economic development drivers that assist manufacturers, like High Tech Rochester Inc., expand production and increase productivity through enhanced environmental performance and the development of new sustainable products. The three awards total \$481,410 and leverage investment of \$1.7 million to increase the competitiveness of upstate manufacturing.

“It is critical that New York works to achieve state environmental objectives by investing in its market-driven capacity to recycle solid and industrial waste and reduce industrial pollution,” said ESD Chairman & CEO Dennis M. Mullen. “ESD’s investments through the EIP program do just that—generating net economic value by assisting manufacturers to expand production, improve competitiveness and enhance environmental performance. These three companies are not only setting an example for green manufacturing, but they are also bringing jobs and investment to Upstate New York.”

American Aerogel Corporation, which has invented and patented a performance-leading, aerogel-based insulation technology, will receive a research award of \$186,410. The company’s high performance insulation is currently used in insulated shippers that carry temperature sensitive biopharmaceutical products. This funding will assist a \$712,850 project involving feasibility testing of a recently developed new insulation product, for use in refrigerated trailer trucks. American Aerogel vacuum insulation panels have a higher R-value compared to conventional insulation while simultaneously reducing wall thickness by 2/3, enabling refrigerated trucks to back-haul standard pallet loads and double their trucking capacity per fuel/mile. The panels also reduce end-of-life disposal of solid waste to about 25 percent of current volume generated by the thicker insulation. In June 2010, American Aerogel also received a \$300,000 ESD Upstate Regional Blueprint Fund award to expand its facility. It currently employs 33 people and will add 28 new jobs over the next three years. If testing is successful, American Aerogel will manufacture the new product in New York State and could create 30 to 40 additional manufacturing jobs.

High Tech Rochester Inc. (HTR), is a non-profit economic development organization driving growth in the Rochester/Finger Lakes region through the mentoring and incubation of high-tech startup

businesses, as well as through advanced consulting services provided to small and mid-size manufacturing firms. HTR will receive a technical and capital assistance award of \$175,000 to support a \$417,000 project designed to boost the competitiveness of manufacturers in the Finger Lakes area. HTR will help 20 manufacturers in the region, collectively employing more than 250 skilled workers, to improve productivity and competitiveness through enhanced environmental performance. HTR previously received an award from the national Manufacturing Extension Partnership for a manufacturing pollution prevention assistance project that was co-funded by EIP and the United States Environmental Protection Agency (US EPA). As a result of this earlier project, \$134,000 of New York investment led to client and environmental improvements valued at \$1,175,000 in the first year.

Oneida County Industrial Development Agency, on behalf of Delta Hardwood Flooring, Inc., will receive a capital award of \$120,000 to induce a project investment of \$577,000 to reduce product waste and expand output. Delta Hardwood Flooring, a locally-owned and operated hardwood flooring manufacturer, will purchase a new optimizing scanner and chop saw line to increase production output of hardwood flooring by 520,654 square feet per year, while also reducing 263 tons of wood waste annually from its current operation through more efficient cutting to maximize value from finish ungraded flooring board. Delta Hardwood employs 15 skilled workers in Ava. Delta is associated with numerous independently-owned and operated wood products businesses to form a New York State-based supply chain for the manufacture and distribution of hardwood flooring.

American Aerogel Corporation CEO Owen A. Dempsey said: “American Aerogel’s product is an amazing breakthrough in high performance insulation. And it’s green. We’re grateful for the support Empire State Development has shown. We are excited about the prospects of commercializing our product in the tractor trailer market and improving the energy and operational efficiency of trailer operators. The EIP award is a key step in making that happen.”

High Tech Rochester President Jim Senall said: “We are extremely gratified that ESD has again chosen to partner with HTR in delivering innovative pollution prevention assistance to the region’s manufacturers. Reducing waste in all forms is critical to the competitiveness of our economy and to maintaining the high quality of life enjoyed by Finger Lakes residents. A number of our manufacturing clients are already committed to participating in this project and have been eagerly awaiting the approval announced today.”

Delta Hardwood Flooring, Inc. President Randy Bowers said: “The new scanner and optimizing chop line will keep Delta Hardwood Flooring at the leading edge of technology in raw material utilization. Reducing waste and increasing yields is a critical requirement to remain competitive in today’s flooring markets. We are extremely pleased to have the support of the OCIDA and ESD to help Delta make these positive changes and forward steps to future growth of the company and employment opportunities for more of the central New York work force.”

Oneida County Industrial Development Agency Executive Director Shawna Papale said: “The Oneida County Industrial Development Agency (OCIDA) welcomes opportunities to assist companies with growth projects. Delta Hardwoods has found a way to capitalize on a niche market and be environmentally responsible. We are proud to support their innovative project.”

The EIP was created in statute in 1987, and amended in 1999 to work in partnership with the New York State Department of Conservation (DEC), to achieve state environmental objectives by

investing in market-driven capacity to recycle solid and industrial wastes and reduce industrial pollution. EIP investments generate net economic value by helping manufacturers expand production and improve competitiveness through enhanced environmental performance.

Since 1994, EIP has received annual appropriations from the Environmental Protection Fund (EPF) to support sustainable economic development. EIP is a competitive program. Project proposals are reviewed monthly and evaluated for the competitiveness of the environmental and economic results they will achieve when compared to the cumulative portfolio of EIP investments. Businesses with potential projects should call EIP staff to discuss at 518/292.5340.

Empire State Development is New York's chief economic development agency and administrator of the statewide business resource portal New York First (www.NYfirst.NY.gov). ESD is 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 on Empire State Development, visit www.esd.ny.gov.

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