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ESDC BOARD APPROVES GRANTS LEVERAGING OVER \$207 MILLION IN INVESTMENTS TO RETAIN AND CREATE JOBS ACROSS NEW YORK STATE

1,010 new jobs to be created and 4,130 jobs to be retained

Empire State Development Corporation's Board of Directors met today in New York City, where the board approved funding totaling more than \$24.9 million, pledging to create 1,010 new jobs and retain 4,130 existing jobs in New York State. The funding will leverage over \$207 million in investment across the state.

In Fiscal Year 2010–2011, the ESDC Directors approved projects to 265 companies and organizations. These projects totaled more than \$488 million in grants and loans, retained 11,907 jobs and created 5,185 jobs. All grants and loans approved leveraged over \$2.7 billion in investment.

Restore New York Communities Initiative

The ESDC Board has authorized the following Restore New York grants. The Restore New York program is targeted toward the revitalization of urban areas and the stabilization of neighborhoods as a means to attract residents and businesses.

City of Jamestown – Dahlstrom Buildings (Chautauqua County) - \$1,000,000

The City of Jamestown, which was incorporated in 1886 and is located approximately 60 miles south of the City of Buffalo, adopted a Downtown Jamestown Community Development Plan (the "Plan") in 2001 to address the revitalization of the City's downtown business district. A major goal of the Plan was to identify vacant and underutilized structures and prioritize redevelopment opportunities. The City identified a need, which was consistent with the Plan, to demolish the former Dahlstrom Metallic Door Company's manufacturing facility and renovate portions of the former Dahlstrom administration building, both situated on a 15-acre site. The City was awarded a grant of up to \$1,000,000 in Restore New York Round III funding to be used for a portion of the cost to demolish and renovate the former Dahlstrom Metallic Door Company buildings. The demolition project is scheduled for completion in September 2011. Total project cost is \$2,165,922.

Village of Heuvelton – Pickens Hall (St. Lawrence County) - \$490,000

The Village of Heuvelton, first settled in 1792, is located on the Oswegatchie River in the northwestern part of St. Lawrence County. In 2005, the St. Lawrence County Housing Council and the Village created a community development plan. Two of the top priorities identified in Heuvelton's Community Development Plan were improving the aesthetics of State Street, downtown's main street, and renovating Pickens Hall, a three-story stone building located on State Street and listed on the National Register of Historic Places. In 2008, the ESDC Board approved a \$490,000 Restore New York Round II grant to the Village to renovate the first and second floors (Phases I & II) of Pickens Hall. Remaining grant funds will be used in Phases III and IV of the Pickens Hall renovation project. Phase III consists of the construction of a 4,571-square-foot addition to the rear of the Pickens Hall building. Phase IV consists of the restoration of the opera house and other rooms on the third floor of the existing building. The project will also include a parking lot and a sprinkler system to both the addition and to the existing 17,612-square-foot Pickens Hall building. The project is expected to begin in July 2011 and to be completed in April 2012. Total project cost is \$1,465,000.

City of Gloversville – South Main Street Redevelopment (Fulton County) - \$434,000

The City of Gloversville, incorporated in 1853, is located about 50 miles west of Albany, between the Mohawk River to the south and the Adirondack Mountains to the north. In 2003 the City, seeking to revitalize its downtown area, put together a comprehensive plan to demolish unsound vacant buildings in the Central Business District and replace them with new buildings and compatible land uses and increase the number of residential units downtown. The project involves the environmental remediation and demolition of a structurally unsound former church and an attached office building. In 2001, the church was designated as a dangerous building by the City, which then took over the site in 2010. The City applied for and was awarded a \$534,000 Restore New York Round II grant, which they had identified as the gap in financing for environmental remediation, demolition and construction of market-housing. Once the project is complete, the City will look to attract a developer to construct market-rate housing. The remaining \$100,000 of the grant is anticipated to be presented to the ESDC Board for approval at a later date after the planned market-rate housing is built. Total project cost is \$579,499.

The following were awarded Economic Development Fund funding:

ImClone Capital – \$1,000,000 (New York County)

ImClone, a global biopharmaceutical subsidiary of Eli Lilly and Company, announced that it would be the anchor tenant for the new state-of-the-art commercial bioscience complex on Manhattan's East Side in 2009. ImClone signed a long-term lease to occupy more than 90,000-square-feet at East River Science Park's first tower, which was completed in the summer of 2010. When fully built out, the complex will contain up to 1.1 million-square-feet of research and development space and provide space for 2,000 bioscience-related jobs. A grant of up to \$1,000,000 was awarded to ImClone to be used for a portion of the cost of machinery and

equipment. ImClone will retain 135 jobs and create 35 new jobs. Total project cost is \$7,000,000.

Parker Hannifin Capital – \$750,000 (Wayne County)

Founded in 1918, Parker Hannifin Corporation, a publicly-traded company, is the world's leading diversified manufacturer of motion and control technologies and systems providing precision-engineered solutions for a wide variety of commercial, mobile, industrial and aerospace markets. Parker's Gas Turbine Fuel System Division, located in Clyde, New York, manufactures fuel injector nozzles for jet engines used in a variety of commercial and military aerospace applications. In order to accommodate increased demand for, the aging facility in Clyde must be rehabilitated and the company needs to invest in new production machinery, equipment and employees. A grant of up to \$750,000 was awarded to the company to be used for a portion of the cost of the purchase of machinery and equipment. As a result of the project the company will retain 215 employees and create an additional 80 jobs.

Sutherland Global Working Capital – \$300,000 (Monroe County)

Sutherland Global Services Inc. is a worldwide business process outsourcing firm. The company offers an integrated set of front- and back-office client services. It combines highly trained people with state-of-the-art technology and proven business methodologies. In 2010, Sutherland needed to lease additional space to grow its back-office management services and train new employees at all four of its Monroe County locations. A grant of up to \$300,000 was awarded to the company to be used for a portion of the cost to train new employees. The company has also been accepted into the Excelsior Jobs Program and may qualify for refundable tax credits estimated at \$700,000. As a result, the company leased an additional facility at Rochester Technology Park in the Monroe County Town of Gates. Without the assistance, more than 1,593 existing jobs would have been at risk. The company has since renovated 68,642-square-feet of leased space at its newest location and purchased furniture, equipment and software for that location. The company has also completed three-month training of over 400 new employees in its systems, procedures and its clients' products. Sutherland has already exceeded its 400 job creation goal, creating 482 jobs to date. Total project cost is \$3,336,323.

Spectral Systems Capital – \$220,000 (Dutchess County)

Spectral Systems LLC was established in 1983 as a division of Smiths Detection NA ("Smiths"). Smiths is a global technology company that develops threat detection equipment to find and identify contraband or dangerous materials. Their products service the transportation, ports and borders, military, emergency responder and critical infrastructure markets. The project involves the divestment of Spectral, located in Hopewell Junction, from Smiths. The general manager, along with three other executives from Spectral, formed an MBO Team to acquire Spectral in a \$3.4 million asset purchase, scheduled to be completed by the first quarter of 2011. After the buyout is complete the MBO team will invest an additional \$842,000 in construction, machinery and equipment and soft costs at the existing Hopewell Junction site. A grant of up to \$220,000 was awarded to the company to be used for a portion of the cost of asset purchase, subsequent facility improvement and the purchase of machinery and

equipment. Upon completion of the project the company will retain 45 jobs and create 11 jobs within the next three years. Total project cost is \$4,437,650.

Upstate Niagara Cooperative, Inc. – \$125,000 (Monroe County)

Upstate Niagara Cooperative, Inc. (“UNC”) is a dairy cooperative representing about 400 farms in Western and Central New York. UNC operates milk processing and distribution centers in Buffalo, Niagara Falls and Rochester; a cottage cheese, sour cream and yogurt plant in Buffalo; and distribution centers in Syracuse and Watertown. In order to accommodate the production needs of a major growing customer, the company needed to expand its cooler. Without the expansion, UNC would have to outsource the storage capacity to an out-of-state concern. A grant of up to \$125,000 was awarded to the company to be used for a portion of the cost of the company’s cooler expansion. The company will retain 165 full-time jobs. As a result of the project UNC has also made a significant investment in its Rochester plant, expanded its cooler space by 45% and strengthened its position and New York State’s dairy industry. Total project cost is \$2,250,000.

The following were awarded Downstate Revitalization and Metropolitan Economic Revitalization funding:

POP Displays Capital – \$300,000 (DRF) (Westchester County)

POP Displays USA LLC, a vertically integrated provider of point of purchase displays and merchandising solutions, announced the expansion of its manufacturing facility in Yonkers, Westchester County last fall. POP Displays and its predecessor company have been located in Metro New York since its founding in 1953. ESD has awarded POP Displays a \$300,000 Downstate Revitalization Fund grant to be used for a portion of the cost of new machinery and equipment. The expansion project will retain 615 full time jobs. The majority of their employees live within the five boroughs of New York City and commute to Yonkers on a daily basis using public transportation. Total project cost is \$1,500,000.

Jetro Cash and Carry – \$1,000,000 (MERF)/\$500,000 (DRF) (Bronx County)

Jetro Cash & Carry Enterprises, LLC, headquartered in College Point, New York, operates as a “cash and carry” wholesaler of food and food-related products that allows its customers, which range from independent grocery stores, restaurants, delis and caterers to not-for-profit food co-ops, to buy in smaller quantities and purchase items without the credit often required by traditional wholesalers. It employs over 1,200 New York State residents, 876 of whom are from New York City, including 121 Bronx residents who work at the current Hunts Point facility. Under the Jetro banner, Jetro sells 10,000 perishable and non-perishable food products, health and beauty aids, paper products, household goods and other related products.

The Company sought ESD’s assistance in mid-2010 because it wanted to expand its operation and relocate to a new facility that could house both Jetro and Restaurant Depot under the same roof. ESD offered a Downstate Revitalization Fund grant and a Metropolitan Economic Revitalization Fund loan to encourage the Company to build a new facility in the Hunts Point section of the Bronx, part of a strategic industry cluster that has been identified in the ESD

Hunts Point Empire Zone Development Plan. A loan of up to \$1,000,000 for a portion of real estate construction costs and a grant of up to \$500,000 for a portion of equipment acquisition costs were awarded to Jetro. The new Jetro facility in Hunts Point will create jobs and revitalize an unused site on the East River into an efficient, green building which will serve as a model for future industrial development in New York City. The facility will generate sales tax and property tax revenue over the long term for the borough, in addition to supporting local grocers by offering competitive prices. The project is scheduled to be completed in January 2012 and is expected to retain 185 jobs and create 17 new jobs. Total project cost is \$55,000,000.

The following was awarded New Market Tax Credits funding:

Agro Farma, Inc. - \$18,000,000 (Chenango County)

Agro Farma, Inc. is a dairy product manufacturer based in New Berlin, New York. In 2007, the company launched the Chobani brand of Greek-style yogurt. This product offers attractive taste, texture and health benefits, including twice the amount of protein offered by traditional yogurts, all natural ingredients, and hormone-free milk. Major customers include Stop & Shop, C&S Wholesale, Costco, and regional grocery stores chains such as Wegman's, Weis and Price Chopper. The Company has made significant investments in people, plant and equipment to support growth, with approximately \$115 million invested in property and plant improvements alone over the past five years. Given the high cost of equipping the facility, Agro Farma approached ESD in early 2011 for financial assistance to conduct a major investment in machinery and equipment needed to meet consumer demand. The ESDC Board approved the authorization of an allocation of up to \$18,000,000 in federal New Market Tax Credits (NMTCs) to be used for a portion of the cost associated with the acquisition and installation of new machinery and equipment. The project is anticipated to retain 386 existing and create 450 new full-time permanent jobs. Total project cost is \$90,000,000.

The next meeting of the Board of Directors will tentatively be held the third week of July 2011, at a location to be announced closer to the time of the event.

The mission of Empire State Development is to promote business investment and growth that leads to job creation and prosperous communities across 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. Visit New York First at www.NYfirst.NY.gov for information on doing business in New York, and for more information about Empire State Development, please see www.esd.ny.gov.



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