

For Immediate Release: Thursday, September 20, 2012

Contact:

Austin Shafran (ESD) | ashafran@esd.ny.gov | 1-800-260-7313

ESD BOARD APPROVES GRANTS AND LOANS LEVERAGING NEARLY \$23 MILLION IN INVESTMENT TO RETAIN AND CREATE JOBS ACROSS NEW YORK STATE

Empire State Development's Board of Directors met today in New York City and approved funding totaling \$3.66 million to create 182 new jobs and retain 1,142 existing jobs in New York State. The funding will leverage nearly \$23 million in investments across the state.

"Today's investments are another sign of the great strides the State is making in rebuilding our economy by helping key industries and businesses grow and create jobs," said Empire State Development President, CEO & Commissioner Kenneth Adams. "We are securing a significant return on investment and leveraging private funds to create nearly 200 jobs and retain over 1,000 more. ESD is putting Governor Cuomo's vision for a New New York that works for business into practice and producing results for New Yorkers."

The board has approved a RESTORE New York Communities Program grant for the following:

Renaissance (Jamestown – Chautauqua County) – \$1,200,000

The City of Jamestown, which is located on the southern tip of Chautauqua Lake in southern Chautauqua County, was provided a grant of up to \$1.2 million to renovate the historic six-story Wellman Building as part of the City's overall redevelopment plan. The renovations were completed in June and it is now a mixed use building consisting of 6,130 square feet of commercial space on the first floor and 44 market-rate residential rental units on the upper floors. The Wellman Building, owned by Jamestown Development Company IV, LLC (JDC), sat mostly vacant for three decades and was in significant disrepair. The development will broaden the residential resources of the City center and attract residents who will in turn support businesses in the area. Currently, twelve of the forty-four residential apartments have been rented; 3,362-square-foot of commercial space has been leased to the Gebbie Foundation, Inc.; and JDC is currently in negotiations with Subway to lease 1,538-square-feet of commercial space. The total project cost was \$7,680,245.

The Board has approved Economic Development Fund grants for the following:

Praxair, Inc. (Western New York Region – Erie County) – \$1,000,000

Praxair, Inc., the first company in North America to commercialize cryogenically separated oxygen and a Fortune 500 company with over 3,000 patents, with the assistance of a grant of up to \$1 million has finalized the development and implementation of custom software needed to operate its centralized logistics center. The Company, which develops and distributes atmospheric, process and specialty gases, high-performance coatings, and related services and technologies, including oxygen, nitrogen, argon, carbon dioxide, helium, hydrogen, acetylene and semiconductor process gases, and also designs, engineers and constructs cryogenic and non-cryogenic supply systems, notified ESD of the need to redevelop its aging logistics systems, including the consolidation of three existing logistics centers serving 9,000 North American customers. The logistics system was severely outdated and no longer supported by the original software developer. To proceed with the new consolidated system, the Company required custom software development and without ESD assistance, the project would likely not have taken place in New York State. The project will retain 700 jobs through 2017 and has a total project cost of \$12.5 million.

Raymour & Flanigan Furniture (Central New York Region – Onondaga County) – \$160,000

Raymour & Flanigan Furniture, a family-owned furniture retailer founded in Syracuse in 1947, has renovated an existing 10,000-square-foot space in Liverpool for its new customer contact center with the assistance of a grant of up to \$160,000. The completed renovations include new sprinkler, HVAC, ceiling, and lighting systems, as well as interior partitions, carpeting, rest rooms, and exterior window replacement. Additionally, furniture, fixtures, and equipment included the purchase of customer contact agent work stations, computer terminals, telephone systems, and computer network hardware. As Raymour & Flanigan has aggressively pursued new stores and areas served, the Company has had to continuously add customer service employees to accommodate growth and they were scattered across various distribution centers. In order to improve efficiencies and provide better customer service, the Company decided to house all of its back-office customer service employees at a single, consolidated Customer Contact Center. With ESD's incentive, the Company decided to implement this project in Liverpool. The project began in Spring 2012 and completed in July 2012. The project retained 364 jobs and will create 60 new jobs with total project costs of nearly \$1.4 million.

Closing USA (Finger Lakes Region – Monroe County) – \$150,000

Closing USA, LLC is a national title and escrow company which primarily provides real estate transaction services for mortgage lenders including escrow closings, title insurance, title searches, tax searches and searches for liens and encumbrances for new and refinanced loans and default services for foreclosed properties. The Board has approved a \$150,000 capital grant to the Company to renovate and equip a new 18,000 square foot facility in the Monroe County Town of Gates. Closing USA is currently licensed in thirty-five states, with further applications in process. Over the next five years, Closing USA is expecting significant growth from new business opportunities as a result of its certification as a Minority-Owned business. In addition, the Company plans on bringing in house functions that are currently outsourced, including search network management for manual counties, online record searching where available, and notary network management. Further growth is expected from the planned launch of an appraisal

division. Based upon this projected growth, the Company made a decision to expand and relocate to a larger facility.

As 70% of Closing USA's business comes from outside New York State, the Company considered relocating its New York state operations to a site in California next to its largest customer, LendingTree.com. To encourage the Company to proceed with the project in New York State, ESD made an offer of a \$150,000 capital grant which was accepted on July 2011. Closing USA's investments with ESD's support will retain 66 current employees and create 100 new jobs over the next three years.

The Board has approved a Regional Council Capital Fund grant for the following Priority Project:

Southern Tier Regional Economic Development Corporation – Community Revitalization Program (Southern Tier Region) – \$1,000,000

The Southern Tier Regional Economic Development Corporation (STREDC), a not-for-profit local development organization that manages a revolving loan fund and provides financial and technical assistance for start-up and expanding businesses in the Southern Tier, will use a grant of up to \$1,000,000 to fund a regional low-interest loan and grant fund program – the Community Revitalization Program – to revitalize downtown, rural and neighborhood centers. This program will assist community neighborhood commercial center revitalization projects in the Southern Tier to improve downtowns with mixed-use residential/commercial and retail opportunities. Communities utilizing these funds will have the ability to identify their own priorities and structure projects to support unique local needs in targeted areas.

As a result of the Governor's Regional Economic Development Council Initiative, STREDC was previously awarded \$2,500,000 through the Consolidated Funding Application (CFA) process to fund the regionally significant Community Revitalization Program. This low-interest revolving loan, combination loan/grant and/or convertible loan fund for capital projects would not have been established without ESD assistance. Due to a prior round one CFA project not moving forward, the Regional Council approved the reallocation of \$1,000,000 to further support the Community Revitalization Program.

The Board has approved the following General Development Financing Projects:

DUMBO Improvement District (Kings County) – \$100,000

The DUMBO Improvement District will use a grant of up to \$100,000 for a portion of working capital costs related to the Brooklyn Tech Triangle Master Plan Study. By partnering with the Brooklyn Navy Yard Development Corporation and the Downtown Brooklyn Partnership to form the Brooklyn Tech Triangle Task Force, a multi-disciplinary consultant team will create a strategic plan for the growth of the technology sector in the Brooklyn Tech Triangle. This area generally consists of the neighborhoods of DUMBO, Downtown Brooklyn and the Brooklyn Navy Yard. The primary goals of the plan are to develop a coordinated vision that provides stakeholders and the public with a unified path forward to growing this area of Brooklyn, to

improve physical and economic connectivity through better open spaces, streetscapes and workforce linkages, and to recommend specific actions that stakeholders can implement or advocate that will help grow the technology sector in the neighborhood. The project began in August 2012 and will be completed in January 2013, and will serve as an action-oriented blueprint for the continued growth of the technology sector that addresses physical constraints as they pertain to transportation, infrastructure, land use, and placemaking. The total project cost is \$325,000.

ComTec Solutions of NY, LLC (Monroe County) – \$50,000

ComTec Solutions of NY, LLC (ComTec), an information technology company that assists manufacturers with enterprise resource planning, including software, hardware, installation, sales, repairs, and classroom training, will use a grant of up to \$50,000 to offset the costs of building purchase and renovations as part of a larger project that also included the acquisition of furniture, installation of IT infrastructure, and other related costs at the Company's consolidated location in the Town of Gates. When the Company approached ESD in 2009, it operated out of multiple leased facilities in the Rochester area and needed to find a location in which to consolidate. ESD offered a \$50,000 capital grant in August 2009, which filled a gap to make the project feasible in New York. ComTec has completed building acquisition, renovations, acquisition/installation of furniture and IT infrastructure (server, cabling and upgraded VOIP phone capabilities), and related soft costs. As a result, the Company will retain 12 existing jobs and create 21 new jobs, and has already created 11 new jobs.

Innovate NY Fund – \$10,000,000

The Board today approved two additional investment funds and to increase the award amount to one investment fund that was previously approved in April. The New York City Investment Fund (NYCIF), a private nonprofit fund with a mission to create jobs in New York City, will use an award of \$4 million in Innovate NY funds to invest in general technology, healthcare IT, education, data analysis and fashion/e-commerce seed stage businesses located in New York State with a primary focus in New York City. The second award approved today was to ff Venture Capital (ffVC), one of the oldest and most active angel and early stage venture capital firms in New York, and one of the top performing in the U.S., which will use an award of up to \$4.5 million to invest in technology seed stage businesses located throughout New York State with a concentration in New York City.

ESD approved \$2.5 million in Innovate NY funds at the April 17, 2012 Board of Directors meeting to Excell Partners, a not for profit and affiliate of University of Rochester. Excell Partners has a strong investment track record and extensive network of collaborators, and has successfully invested in close to 30 seed stage companies since 2005. The Board today approved an additional \$1.5 million to invest in seed stage businesses focused on life sciences, energy, software and consumer products and located in the Southern Tier, Western NY, Finger Lakes, Capital and Central New York regions. This brings the total Innovate NY fund award for Excell Partners to \$4 million.

Innovate NY is a federally-funded program that will spur small business growth and create thousands of jobs across New York State. The \$25 million grant from the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) used to support the Innovate NY Fund will leverage at least \$50 million in private investment and is being combined with \$1.5 million from the New York State Small Business Technology Investment Fund (SBTIF) to facilitate investment in almost 100 seed stage companies through a geographically diverse group of industry focused investment entities.

Additionally, the Board of Directors today authorized the transfer of the Tryon Boys and Girls Center (Tryon Facility) to the Fulton County Industrial Development Agency (FCIDA) for redevelopment.

The Tryon Facility will be transferred to FCIDA at no cost, allowing the IDA to move forward with plans to redevelop the more than 500 acre property in the towns of Perth and Johnstown into an industrial and commercial business park. The proposed Tryon Technology Park and Incubator Center is expected to attract significant new investment and create hundreds of new jobs in the Mohawk Valley.

The Tryon Facility is one of eleven New York State correctional and juvenile facilities closed last year as a part of Governor Cuomo's plan to consolidate state government services and increase the efficiency of the juvenile justice facility system. The NYS Office of General Services, the Office of Children and Family Services, the Department of Corrections and Community Supervision and Empire State Development were tasked with ensuring the disposition of these large institutional properties. It was determined the transfer of the Tryon Facility to the FCIDA would produce the greatest economic benefit to the local area, creating jobs and expanding the tax base. The plan includes a \$3.14 million redevelopment of the Tryon Facility into a business park, which is being supported by a \$2 million grant provided in the first round of Governor Cuomo's Regional Economic Development Councils awards.

The next meeting of the ESD Board of Directors will tentatively be held the third week of October.

Empire State Development (ESD) is New York's chief economic development agency (www.esd.ny.gov). The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits and other forms of financial assistance, ESD strives to enhance private business investment and growth to spur job creation and support prosperous communities across New York State. ESD is also the primary administrative agency overseeing Governor Cuomo's Regional Economic Development Councils and the marketing of "I Love NY," the State's iconic tourism brand. For more information on Regional Councils and Empire State Development, visit www.regionalcouncils.ny.gov and www.esd.ny.gov.

###