



For Immediate Release: Thursday, November 15, 2012

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ESD BOARD APPROVES GRANTS AND LOANS LEVERAGING OVER \$116 MILLION IN INVESTMENT TO RETAIN AND CREATE JOBS ACROSS NEW YORK STATE

Board approves transfer of nearly one-million to support and leverage funding for the \$10 million New York State Small Business Emergency Loan Fund

Empire State Development's Board of Directors met today in New York City and approved funding totaling \$24,928,640 million, leveraging more than \$116.5 million in additional investments to support business growth, create 236 new jobs and retain 784 existing jobs in New York State.

Additionally, the Board approved the transfer of nearly one-million in funds to support the establishment of a \$10 million New York State Small Business Emergency Loan Fund by the New York Bankers Association (NYBA) and the New York Business Development Corporation (NYBDC) in coordination with Empire State Development. Under the fund, businesses impacted by Storm Sandy will be able to apply for immediate loans of up to \$25,000 in financial assistance by going to www.esd.ny.gov or calling 1-855-NYS-SANDY.

"We are supporting a broad range of job-creating projects and initiatives that incentivize business growth while leveraging over one hundred million in additional investment that will strengthen the State's economy," said Empire State Development President, CEO & Commissioner Kenneth Adams. "As key Regional Council projects move forward throughout the State, we are also ensuring that critical funding is approved to help small businesses bounce back from the impact of Storm Sandy. Governor Cuomo's leadership has put the State on the best path to improve our economic vitality and ensure that the *New New York* is truly working for businesses."

The Board approved the following Economic Development Fund grants:

Contract Pharmacal Corporation (Suffolk County – Long Island Region) – \$1,050,000

Founded in 1971, Contract Pharmacal Corporation (CPC) is a family-owned company that engages in developing, manufacturing and packaging pharmaceuticals, over-the-counter drugs and dietary supplements for pharmaceutical companies, retailers and wholesalers. The

company, which maintains several high-tech research and manufacturing facilities on Long Island in Hauppauge, notified ESD that it was considering relocating its New York State production facility to Florida. ESD stepped in to offer the necessary assistance to keep CPC in New York and prevent hundreds of Long Islanders from losing their jobs. A capital grant of up to \$1.05 million will help fund CPC's acquisition and installation of new machinery and equipment. The project will result in the retention of 457 jobs and the creation of 168 jobs.

Intercos America, Inc. (Rockland County – Mid-Hudson Region) – \$500,000

Founded in Italy in 1972 by Dario Ferrari, Intercos began manufacturing operations in Congers, Rockland County, in 2001. Intercos produces pressed powders, loose powders, lipsticks, lip glosses and other hot pour products as well as mechanical pencils and cosmetic markers. The company's maintains a 100,000-square-foot manufacturing facility in Congers and also leases a 195,000-square-foot warehouse in West Nyack. In order to remain competitive in the makeup industry, the company determined it needed to expand its manufacturing capabilities. It considered relocating to New Jersey to cut costs. A grant of up to \$500,000 will help the company fund facility renovations and new machinery and remain in New York. As a result, the project will retain 176 existing jobs, including 40 at its warehousing facility and create 45 jobs by 2014.

Time Release Sciences, Inc. (Erie County – Western New York Region) – \$300,000

Time Release Sciences, Inc. (TRS) is a contract manufacturer of foam cleaning products located in Buffalo. In 2011, TRS determined it needed to expand its current manufacturing capacity to meet the expanding demands of its primary customer, Proctor & Gamble (P&G). A capital grant of up to \$300,000 enabled TRS to secure the additional P&G product line; without the contract, the company would have likely closed. The grant will cover a portion of the costs associated with the purchase and installation of new machinery and equipment. The company's expansion, which has a total project cost of \$3.5 million, will create 20 new jobs, while retaining 59 existing employees.

The Board approved the following Regional Council Capital Fund grants:

Mohawk Valley Economic Development Growth Enterprises – Marcy Loop Road (Mohawk Valley Region) – \$5,000,000

In preparation for luring a premier semiconductor firm to Marcy NanoCenter, the Mohawk Valley Regional Economic Development Council (MVREDC) identified the construction of a loop road at Marcy Nanocenter as a priority project and supported a grant of up to \$5 million to advance the development of this regionally significant initiative. The grant will be used to construct a two-lane, heavy-duty industrial access road, including bikeway, storm water swales, bioswales, a utility corridor and lighting to provide a loop access/service roadway to the Marcy Nanocenter at SUNYIT. The loop road project has a total cost of \$12.1 million.

Located in the heart of Upstate New York's Mohawk Valley, Marcy NanoCenter is a 420-acre shovel-ready greenfield site on the SUNY Institute of Technology's (SUNYIT) campus in Oneida County. The site has been identified by MVEDGE as an ideal site for a semiconductor firm to locate their business. MVEDGE is the region's primary marketing organization and works with businesses that are considering expansion opportunities in upstate New York. The site's proximity to high-tech and semiconductor clusters, secure water and energy sources, a quality work force, three major highways, regional airports, and major U.S. and international markets, will enable the Marcy Nanocenter to advance semiconductor manufacturing and create jobs in the Mohawk Valley Region.

Syracuse University New York Energy Regional Innovation Cluster (Onondaga County – Central New York Region) – \$3,000,000

The New York Energy Regional Innovation Cluster (NYE-RIC) is a statewide alliance focused on transforming how energy-efficient building systems are invented, developed, demonstrated, and deployed. NYE-RIC includes internationally recognized research and development capabilities and engages more than 130 firms and institutions that have unmatched expertise to speed development and deployment of major innovations by breaking down critical barriers in economics, policy, human behavior, and technology integration. The statewide NYE-RIC consortium is led by Syracuse University (SU) in partnership with City University of New York (CUNY), NYSTAR and the SUNY Research Foundation.

In 2011, the Central New York Regional Economic Development Council (CNYREDC) awarded SU \$3 million to support the first stage of NYE-RIC – building out new laboratories to establish the Syracuse Center of Excellence (CoE) into the cornerstone for launching the NYE-RIC Advanced Buildings Consortium across the state. The grant will assist in fitting-out existing space at CoE headquarters and the construction of a multimodal transportation facility (bus, bike, pedestrian, and car) at the site.

The new labs will serve as research and development (R&D) facilities for NYE-RIC opportunities, including fuel-cells, combined heat and power systems, smart grid applications, photovoltaic and wind power generation, and battery and energy power storage. The green-tech and high-tech industries have experienced significant growth recently in Central New York and NYE-RIC's regional approach will support R&D in collaboration with local manufacturing firm NuClimate Air Quality Systems, as well as two other local companies that were supported by the CNYREDC – Fulton Companies and Ephesus Technologies. The labs will be lit by LED lights manufactured by Ephesus, a global leader in LED light technology.

In addition, design and construction of the Syracuse University Intermodal Transportation Center is currently underway at the Syracuse CoE headquarters campus and will be a platform for sustainable transportation options for the City of Syracuse. The intermodal transportation facility began construction during the second quarter of 2012, and is scheduled for completion in the second quarter of 2013. It will include a public bus stop for the Connective Corridor bus loop, surface parking for 99 vehicles, recharging stations for electric vehicles, preferred parking

spaces for alternative fuel/highly efficient vehicles and a bus shelter with protected parking/storage for bicycles, powered by solar arrays. Also, green infrastructure will send storm water from the site and the adjacent streets to rain gardens and tree wells on-site, and the project will make use of innovative paving and building materials.

This phase of NYE-RIC will leverage an additional \$5.7 million in federal and private funds. With a total project cost of nearly \$225 million, the full NYE-RIC project has the potential to create tens of thousands of good, green/clean-economy jobs across the state.

Trudeau Institute (Franklin County – North Country Region) – \$1,200,000

The Trudeau Institute is a nonprofit biomedical research organization, whose scientific mission is to make breakthrough discoveries leading to improved human health. Trudeau scientists conduct research and studies on cancer, influenza, pneumonia, tuberculosis, AIDS and aging. A grant of up to \$1.2 million will enable Trudeau to continue operations and expand the biomedical research laboratory and programs at Saranac Lake. The funding will update Institute facilities and recruit additional high-level research scientists and related professional staff. Without assistance from ESD, the expansion and retention project would not be done in New York.

The project is consistent with the North Country Regional Council Strategic Plan. The plan details a strategy to grow the biotech industry, and specifically mentions Trudeau as a centerpiece in the region's biotech cluster. In addition to growing the biotech sector, the plan also highlighted the need to support existing regional employers. Due to ESD's support, 92 jobs will be retained and three new jobs created as a result of the project.

The Research Foundation for The State University of New York (Rensselaer County – Capital Region) – \$1,000,000

The project includes the establishment of the Biotechnology Training Program at University of Albany's East Campus in Rensselaer. The Program will develop a pipeline of highly trained individuals with technical competences and certifications in the operation of sophisticated calibration equipment used by biotech and other technology-oriented companies. A grant of up to \$1 million will be used to purchase state-of-the-art equipment and machinery, with all equipment to be rolled-out by June 2013 to engage and inform biotechnology companies and research institutions throughout the region and statewide. Training will commence in the fall 2013 semester. Last year, the Capital Region Economic Development Council identified this as a priority project which would help train workers, attract high-tech companies and support the region's rapidly growing biotechnology sector.

Dream It, Do It Western New York, Inc. (Western New York) – \$500,000

Dream It, Do It Western New York, Inc. (DIDIWNY) is part of a national campaign started by The Manufacturing Institute, an affiliate of the National Association of Manufacturers, to address the growing shortage of talented and skilled workers in the manufacturing industry. DIDIWNY

involves the coordination of a regional initiative to promote advanced manufacturing and the careers offered by the advanced manufacturing sector. It will implement a work plan consisting of regional marketing, events and internship and apprenticeship opportunities.

Chautauqua County was the first county in New York State to implement the program, and the initiative grew into Cattaraugus and Allegany counties. Last year, the Western New York Regional Economic Development Council supported a \$500,000 award to assist in the continued implementation of the program in Chautauqua, Cattaraugus and Allegany Counties while also expanding into Erie and Niagara Counties. The grant is being administered through ESD and was approved by the Board of Directors today.

The Board approved the following Innovation Economy Matching Grants:

ION Newco Corp. (Multiple Counties) – \$3,175,700

ION Newco Corp. (ION) is a for-profit company based in Albany. ION has joined forces with the Development Authority of the North Country (DANC), a public benefit corporation which has developed and manages a 750 +mile fiber route throughout the very rural North Country of New York, to pool their resources and knowledge of the upstate rural markets. Together, ION and DANC have developed a plan to create access to broadband service in rural New York State. The project reaches the largest population of unserved (121) and underserved (32) communities in rural New York. ION will use a grant of up to \$3,175,700 for a portion of working capital costs associated with creation of high-speed Internet infrastructure.

The total project costs of \$41,121,479 includes construction, network design and grant administration. The project began in September 2010 and is expected to be complete in March 2014. The ION-DANC partnership will: (1) improve broadband access conditions in communities that have limited, insufficient or no access to middle-mile broadband; (2) promote robust middle-mile broadband access for essential state and local governmental services including public safety, health and education, and general services; (3) significantly increase the availability of middle-mile infrastructure for “lastmile” service providers; and (4) create conditions that will encourage economic competitiveness and job growth throughout New York State. A total of 1,308 plant miles of high-speed Internet infrastructure will be installed, incorporating more than 70 additional rural communities into its current statewide fiber backbone. This will bring 1,308 miles of new “middle-mile” infrastructure through more than 70 towns, with a total population of almost 600,000, including over 250,000 households and 38,000 businesses.

SLIC Network Solutions, Inc. (St. Lawrence and Franklin Counties) – \$2,225,033 & \$425,987

SLIC Network Solutions, Inc. (SLIC) is a for-profit company located in Nicholville, NY that was formed in 1995 as an Internet Service Provider. SLIC has previously developed and managed last-mile fiber networks in Canton, Potsdam and Massena to provide voice and data services primarily to commercial customers. The company's customers include hospitals, school districts, banks, county government, municipal governments, fire departments and police

stations. ESD is providing \$2,225,033 in assistance to this more than \$30 million project, which includes the purchasing of the necessary equipment and electronics to construct 660 miles of fiber optic cable to bring advanced broadband services, including voice and IPTV services, to 5,856 unserved households in St Lawrence County. Project activities include construction, network design and grant administration. The project began in September 2010 and is expected to be complete in March 2014.

SLIC is also constructing 136 miles of fiber optic cable and purchasing the necessary equipment and electronics to bring advanced broadband services, including voice and IPTV, to 726 unserved households in remote western Franklin County. ESD is providing a grant of \$425,987 towards the \$5.75 million project, which includes construction, network design and grant administration. The project began in September 2010 and is expected to be complete in March 2014.

GE Global Research Center (Schenectady County) – \$997,688

GE Global Research is working to develop a completely new high-density energy storage system that combines the best properties of a fuel cell and a flow battery. The project includes research at the General Electric led Department of Energy Center for Electrocatalysis, Transport Phenomena, and Materials for Innovative Energy Storage to establish the scientific basis to enable a safe and practical electrical energy storage and delivery system using the electro(de)hydrogenation of organic liquid carriers. The concept will dramatically reduce system weight, volume and complexity and will be significantly safer because it will not involve any gaseous hydrogen at any stage.

GE will use a grant of up to \$997,688 to offset project costs incurred to execute the project. The main objective of the research and work is to evaluate the use of organic compounds with the heteroatom-hydrogen bond in the proposed fuel cell/flow batter combination for electrochemical energy storage. The total cost of this project is \$13,477,688.

The Board approved the following Training and Technical Assistance grants:

Entrepreneurial Assistance Program (Statewide) – \$2,390,232

There are currently 24 Entrepreneurial Assistance Program (EAP) Centers located throughout the state. These Centers provide comprehensive assistance in enterprise development to owners and prospective owners of small businesses, with a particular interest in serving minority group members, women, dislocated workers and individuals with special needs. Grants totaling up to \$2,390,232 will be awarded to eligible not-for-profit corporations and community colleges to support the ongoing operations of the 24 New York State EAP centers. The 2012-2013 New York State budget includes \$1.764 million, and an additional \$626,232 is funded from previous appropriations. The applicants will be required to match these funds one-to-one (50 percent or more in cash and no more than 50 percent in-kind).

Encouraging the formation and growth of small businesses is an important strategic goal of New York State. Effective EAP programs provide intensive, community-based training, technical assistance and other related services to small business owners or entrepreneurs, particularly minorities and women, to stimulate new business development and to strengthen businesses in the early stages of development, which is defined as 1-5 years. Such assistance is especially important in economically distressed areas where high levels of unemployment and declining infrastructure further limit the ability for these young businesses to develop. Effective programs are built on a working knowledge of the needs and resources of a community and its region.

Since the collection of data began in 1990, the program has provided services to more than 26,175 clients who have started, retained or expanded over 15,978 businesses, increased sales by \$255.5 million, secured \$128.3 million in financing, increased employment by 15,950 individuals including the 5,140 jobs created for new business owners. For more information on the State's EAP Centers, please visit <http://www.esd.ny.gov/businessprograms/eap.html>.

The Board has approved the following RESTORE New York Communities Program grant:

City of Buffalo (Erie County) – \$320,000

The City of Buffalo is partnering with People for Sustainable Housing (PUSH), a non-profit community organization working to rebuild the West Side of Buffalo through neighborhood organization, action planning and redevelopment initiatives, to acquire and renovate two vacant buildings in Buffalo, as well as construct a new two-family residence. The vacant structures at 99 Chenango and 562 West Utica will be renovated in a single-family residence and a two-family residence, respectively. The original intent of ESD's RESTORE NY award was to renovate vacant structures located at 335 and 339 Massachusetts; however, the two adjacent properties were destroyed by arson in September 2010 and PUSH will now construct one two-family structure.

The City of Buffalo's partnership with PUSH to redevelop two vacant homes and construct a new multifamily home in the targeted area will improve the affordable housing stock. Additionally, neighborhood homeowners will be encouraged to invest in their properties, increasing neighborhood housing values, reducing blight and laying the foundation for market stability and improved quality of life. The renovations and construction, which will total over \$1.24 million, are expected to begin by December.

The next meeting of the ESD Board of Directors will be held in December.

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.

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