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ESD BOARD APPROVES GRANTS AND LOANS 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 \$18.6 million, leveraging more than \$75.6 million in additional investments to support business growth, create over 50 new, full-time jobs and retain more than 350 existing jobs in New York State.

The board also approved the final action needed by ESD and the Erie County Stadium Corporation, a subsidiary of ESD, to complete its transaction committing the Buffalo Bills to remaining in the county-owned stadium for up to an additional 10 years. The board authorized ESD to enter into all necessary agreements for the design and construction of improvements to Ralph Wilson Stadium in Erie County and agreed to the provision of working capital and game day/operating expenses. The State is expected to invest \$123 million in stadium improvements and enhancements between 2013 and 2022.

"Under Governor Cuomo's leadership, the State has made smart decisions that produce a significant return on our investment to create the jobs and private sector activity we need to grow our economy," said Empire State Development President, CEO & Commissioner Kenneth Adams. "Today, we continued to make those smart, targeted job-growing investments – supporting projects from Western New York to New York City, from advanced manufacturing and large-scale redevelopment to programs that will help revitalize our communities and grow our small businesses."

The Board approved the following Regional Council Capital Fund grants:

Taystee Create, LLC – Priority Project (New York City Region – New York County) – \$10,000,000
Formed in 2012, Taystee Create, LLC is comprised of entities controlled by Janus Partners, LLC and Monadnock Construction, Inc. – both companies have a long history of developing residential, commercial and mixed-use properties in Harlem and throughout New York City. ESD is providing a grant of up to \$10 million to assist in the redevelopment of the former Taystee Bakery complex into an approximately 240,000-square-foot mixed-use facility consisting of manufacturing space, office space, retail space and community facility space.

Identified as a priority project by the New York City Regional Economic Development Council (NYCREDC), the transformation of the former Taystee Bakery factory into the CREATE@Harlem Green center for entrepreneurial activity will provide a critically important transitional facility between the historic retail and entertainment district of Central Harlem and the growing universities of Columbia and City College. The project will target manufacturing, commercial, retail and community facility users, especially locally-based enterprises looking to expand, in a low-income neighborhood where market rents remain relatively affordable.

The project is located in the 125th Street area, one of 15 Opportunity Zones located throughout New York City that were identified in the NYCREDC's Strategic Plan. Opportunity Zones are formerly distressed and under-utilized areas that have undergone major rezoning, planning and public investment during the past decade, and are now poised for accelerated growth. With support from ESD, the center will provide affordable commercial and industrial space for entrepreneurs, businesses, craftspeople, artists and non-profit organizations.

When completed, this redevelopment will produce a new world-class urban place that will bring positive recognition and attention to West Harlem and Manhattanville. The project will attract new companies and businesses as well as provide space for small local businesses, arts and not-for-profit uses that cannot find affordable space in West Harlem, allowing them to grow and prosper in place. The total project cost is over \$72 million.

Western New York Science, Technology and Advanced Manufacturing Park – Priority Project (Finger Lakes Region – Genesee County) – Grant - \$500,000; Loan \$1,100,000

Designated a Priority Project by the Finger Lakes Regional Economic Development Council, the Western New York Science, Technology and Advanced Manufacturing Park (STAMP) will create significant opportunities for semiconductor, flat panel display, photovoltaic, and bio-manufacturing projects. The Genesee Gateway Local Development Corporation (GGLDC), which serves as the recipient of ESD's grant and loan, was established in 2004 to handle industrial park development and serves as a conduit for assistance to private companies. Since its inception, GGLDC has completed five park developments across Upstate New York – each of which have infrastructure completed and are able to accommodate new business developments.

In 2005, GGLDC identified a market need to develop a much larger park than those previously developed. Such a mega site, of at least 1,000 acres, would seek to attract a large-scale advanced manufacturing project. GGLDC identified a site in the Town of Alabama, and since 2008 has expended several million dollars for preliminary multi-faceted feasibility studies, completed an Environmental Impact Statement, and conducted community outreach and began to acquire property. In order to continue developing STAMP as New York State's third mega site, ESD is providing a grant of up to \$500,000 and a loan of \$1.1 million to assist in the purchase of 364 acres of land at the site for the next phase of development. GGLDC currently owns 143 acres with the option to purchase another 1,073. This real estate transaction will allow for design, engineering and construction for the initial infrastructure at the site, which will

be completed by the end of 2014.

This project will position Western New York State as a hub for advanced technology manufacturing and spur significant regional economic growth. There is potential for up to 1,200 jobs at the STAMP site by 2016, and over 9,300 projected jobs at full build-out in 2032.

Southern Tier Region Economic Development Corporation Community Revitalization Program – Priority Project (Southern Tier Region) – \$2,500,000

As a result of the Governor's Regional Economic Development Council Initiative, the Southern Tier Region Economic Development Corporation (STREDC) was awarded a second installment of \$2.5 million through the 2012 Consolidated Funding Application (CFA) Round 2 process to continue funding the Community Revitalization Program, a regional low-interest loan program to revitalize downtown, rural and neighborhood centers.

To date, the Community Revitalization Program has assisted with 7 development projects around the region, with 72% of Round 1 funds committed.

The Community Revitalization Program facilitates the redevelopment of downtown and community center locations to encourage investment and job creation. The Community Revitalization Program is a priority project that is consistent with the Southern Tier Regional Economic Development Council's Regional Strategic Plan and will fulfill the strategy to strengthen the Southern Tier's economic development backbone. The program assists community neighborhood commercial center revitalization projects 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. Eligible applicants include cities, towns and villages within the eight counties in the Southern Tier Region. The available resources will provide gap financing for capital use and will leverage additional financing from federal, state, municipal, and local development agencies, and corporations and private sector entities.

Southern Tier Region Economic Development Corporation Shovel Ready Program – Priority Project (Southern Tier Region) – \$1,500,000

As a result of the Governor's Regional Economic Development Council Initiative, the Southern Tier Region Economic Development Corporation (STREDC) was awarded a second installment of \$1.5 million through the Consolidated Funding Application (CFA) Round 2 process to continue funding the Shovel Ready Program, a regional low-interest loan program that provides gap financing to facilitate site development including environmental remediation, demolition, site preparation activities, and installation of infrastructure.

To date, the Shovel Ready Program has assisted with 2 significant property development projects in the region, with 99% of Round 1 funds committed.

The Shovel Ready Program helps to increase the Southern Tier Region's capacity to attract and support business development by lowering the cost of site preparation and helping to position

sites for NYS Shovel Ready Certification, a component of ESD's Build Now-NY program which has been helping local communities attract substantial private-sector investment and create jobs. Communities throughout the Southern Tier utilizing these funds will be more competitive in future site selection activity, resulting in investment and new job creation. The application process is open-ended and applications will be accepted until all funds are committed to projects. Eligible applicants include municipalities, municipal authorities, economic development organizations, industrial development agencies, chambers of commerce and local development corporations.

Southern Tier Region Economic Development Corporation Rural Initiative Program – Priority Project (Southern Tier Region) – \$1,000,000

As a result of the Governor's Regional Economic Development Council Initiative, the Southern Tier Region Economic Development Corporation (STREDC) was awarded a second installment of \$1 million through the Consolidated Funding Application (CFA) Round 2 process to continue funding the Rural Initiative Program, a regional low-interest loan fund to reduce financial risk and increase sustainability of agriculture and forestry ventures, and encourage investment and job creation.

To date, the Rural Initiative Program has assisted with 13 small business expansion projects around the region, with 81% of Round 1 funds committed and 122 new jobs to be created.

The Rural Initiative Program is consistent with the Southern Tier Regional Economic Development Council's Regional Strategic Plan and defined strategies based on the best use of the region's assets, ability to capitalize on opportunities and address critical issues impeding growth and will also fulfill the regional strategy to revitalize the rural farm and forest-based economy in the Southern Tier. The program provides gap financing for priority activities, including development and promotion of value-added agricultural products, development of new markets, renewable energy initiatives, increased land productivity, applications of new technologies, and growth in net agricultural revenue. Eligible applicants include new and existing businesses within the eight-county Southern Tier Region.

Buffalo Neighborhood Stabilization Company Small Business Green Retrofit – Priority Project (Western New York Region – Erie, Niagara and Chautauqua Counties) – \$800,000

The Buffalo Neighborhood Stabilization Company (BNSC) was established in 2009 to conduct day-to-day operations and management of housing and land development within the PUSH Green Development Zone (GDZ), while working to increase property ownership by low-income residents. Identified by the Western New York Regional Council (WNYREDC) as a Priority Project, the BNSC was awarded \$800,000 to establish the region-wide Small Business and Not-for-Profit Building Improvement Grant Program. The Grant Program will subsidize the costs to complete essential pre-retrofit building repairs to roofs, building envelopes and foundations to eliminate moisture penetration, allowing existing small businesses and not-for-profits to qualify for the Green Jobs/Green NY Program (GJGNY). GJGNY is a statewide program promoting energy efficiency and the installation of clean technologies to reduce energy costs and reduce carbon emissions by providing free energy assessments and affordable financing.

The Grant Program is expected to assist up to 60 beneficiaries with pre- retrofit expenditures necessary to qualify for the GJGNY program, reduce overhead costs of businesses by reducing energy usage, reduce greenhouse gas emissions, generate jobs for local contractors and materials manufacturing companies, foster reinvestment in key commercial corridors in older districts, promote smart growth initiatives and reduce sprawl, help to reinvigorate commercial centers in urban districts, and leverage at least \$4 million in private investment.

Hamilton County Broadband – Priority Project (North Country Region – Hamilton and Fulton Counties) – \$472,000

Broadband access is considered basic to modern business needs and essential to attract new, young entrepreneurs and populations. As a result of the Governor’s Regional Economic Development Council Initiative, Hamilton County was awarded \$472,000 through the Consolidated Funding Application (CFA) process to install broadband infrastructure network connections throughout Hamilton County and part of Fulton County. ESD is providing a grant of up to \$472,000 to support this broadband infrastructure network project, which is critical to enhance quality of life, grow jobs, increase population, and develop private business investments in Hamilton County. With broadband service, Hamilton County plans to form coalitions with other adjacent counties that are already “wired” to build on regional strengths and resources in the North Country Region.

The project is consistent with the North Country Regional Economic Development Council’s (NCREDC) Strategic Plan and was endorsed as a regional priority in 2011. A key NCREDC strategy is expanding affordable broadband access throughout the North Country Region. This project also supports existing business entities and creates new opportunities for Hamilton County to cultivate economic development and job creation.

Matt Industries – Priority Project (Central New York Region – Onondaga County) – \$150,000

Matt Industries Corporation d/b/a Dupli Envelope and Graphics Corporation (Dupli) is a print technology company which manufactures custom printed materials, including envelopes, corporate identity and direct mail products for a wide-range of industries. As a result of the Governor’s Regional Economic Development Council Initiative, Matt Industries was awarded \$150,000 through the Consolidated Funding Application (CFA) process to fund facility improvements, the purchase and installation of new machinery and equipment and the training and education of employees as a means to streamline the company’s printing operations and utilize new technology intended to revolutionize the printing industry.

The print industry has come under tremendous pressure and change over the last several years. As a result of the economy, technology innovations, and competition from subsidized overseas printers, the industry has declined roughly 25 percent since 2007. The print and mail industry is crucial to the New York State economy as it employs nearly 600,000 residents, with nearly 175,000 of those people employed in upstate New York. With the industry at such a crossroads, research and development projects involving new technologies will be necessary to continue to grow and expand in the future. In 2010, a German-based company developed new ink jet based

envelope print technology that could revolutionize envelope printing. Dupli decided to seek assistance from the state in order to purchase the new equipment, make necessary facility improvements, purchase related software and hardware, and provide employee training and education.

The Company has renovated and equipped its Syracuse facility with new state-of-the-art printing equipment – the first of its kind in the world. In the third quarter of 2012, a new machine was installed and the original machine was removed and currently facility improvements have been made to create space for the new production process. As a result of the equipment purchased, Dupli will lead the printing industry technologically, helping it to expand in the future and connect the physical nature of print with an ever growing and changing digital world. The company has already created five new jobs at the project location and retained over 110 employees. Full project completion is expected in December 2013.

The Board approved the following Economic Development Fund grants:

Monro Service Corporation (Finger Lakes Region – Monroe County) – \$400,000

Incorporated in 1959, Monro Muffler Brake, Inc., the parent company of Monro Service Corporation, provides a range of services for autos, light trucks and vans, including brakes, mufflers, exhaust systems, steering, drive trains, and other products and services such as tires and routine maintenance and state inspections. ESD is providing a grant of up to \$400,000 for a project involving the expansion of Monro's Rochester headquarters facility; adding an additional 15,000 square feet of office space and 55,000 square feet of warehouse space, which now totals 175,000 square feet. Additionally, the company installed furnishings, fixtures and equipment, including information technology and HVAC upgrades. The project was completed in December 2012, and will create 20 new jobs and retain 190 existing jobs in the county.

Wolf-tec, Inc. (Mid-Hudson Region – Ulster County) – \$350,000

Founded in 1977, Wolf-tec, Inc. is a family owned business located in Ulster County that manufactures and distributes meat, poultry, and seafood processors. The company sells its products through distributors in North America, South America, Asia, Europe, Africa, New Zealand and Australia. Over the past five years the company has invested over \$1.8 million annually in research and development. This investment has enabled the Company to explore opportunities for future growth by developing new products to improve and expand their operations. In order to remain ahead of the competition, Wolf-tec needed more space to design, develop and implement new and improved food processing equipment and technologies. The company had identified existing properties in Kingston, New York and Jefferson County, Georgia to expand its operations. ESD offered Wolf-tec a grant of up to \$350,000 to encourage the company to proceed with the project in New York State.

The business expansion project includes the acquisition and renovation of a 133,000-square-foot vacant property and the purchase of \$2 million in new manufacturing equipment to expand its operations. The facility will support customer demand for new and improved food processing equipment and technologies. Wolf-tec will retain 56 current employees and create

27 additional full-time jobs by January 2015.

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

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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