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ESD BOARD APPROVES GRANTS AND LOANS LEVERAGING OVER \$500 MILLION TO CREATE AND RETAIN JOBS ACROSS NEW YORK STATE

Empire State Development's Board of Directors met today in New York City and approved funding totaling \$13.8 million, supporting the creation of 566 new jobs and retention of nearly 3,500 existing jobs in New York State. The funding will leverage over \$506 million in investments across the state.

"Under Governor Cuomo's leadership, companies are continuing to choose New York as the place to invest and grow their business," said Empire State Development President, CEO & Commissioner Kenneth Adams. "ESD will continue to partner with companies – no matter how big or small – to help them create jobs and drive our economy forward. Today's board actions demonstrate these partnerships are already resulting in new jobs for New Yorkers and new investments in New York."

The Board approved the following JOBS Now Program grants:

JetBlue Airways Corporation (New York City Region – Queens County) – \$6,000,000

JetBlue Airways Corporation (JetBlue), the sixth largest passenger carrier in the United States, will use a grant of up to \$6 million for a portion of the \$41 million it had invested in interior construction and renovation of the company's new headquarters facility in Long Island City. With JetBlue's lease of its headquarters in Forest Hills due to expire at the end of 2012, the company engaged cities around the country in a selection process to determine where to locate its central headquarters office and grow jobs over the long term. After an exhaustive location analysis involving New York and four out-of-state options, the company narrowed down its choices to Orlando, Florida, where it operates a training center, and New York.

ESD offered JetBlue an incentive package to encourage the company to establish its new headquarters in New York and the company has since executed a 12-year lease for 217,000 square feet at 27-01 Bridge Plaza North. Interior demolition activities began in April 2011, and construction and renovation activities, including fit-out of office space and installation of furniture, fixtures and technology were completed last December. ESD's incentive required JetBlue to retain 880 jobs and create a minimum of 170 new jobs. To date, JetBlue has created 249 jobs.

JetBlue's marketing efforts in recent years have included robust promotion of New York State through experiential events and co-branded advertising. Past examples included an interactive JetBlue/I Love NY exhibit at the Tribeca Film Festival that featured the Buffalo/Niagara, Rochester and Syracuse destinations. This year, various activities are planned to promote the Upstate markets that JetBlue

serves as well as the tourism attractions, local food and drink, and activities in those markets, including two public events featuring local NYS beer and wine and advertising in print, digital, TV, radio and out-of-home media channels statewide.

Corning Global Innovation Center (Southern Tier Region – Steuben County) – \$1,500,000

Corning Incorporated, a diversified global technology-based corporation and worldwide leader in display technologies, telecommunications, environmental technologies, specialty materials and life sciences, will use a grant of up to \$1.5 million for a portion of the costs of purchasing machinery and equipment as part of its 170,000 square foot expansion. In order to stay a world leader in industrial research and development, Corning decided it was necessary to undertake major improvements to its primary facility for research and development, which hadn't had significant reinvestments since its construction in the early 1960's.

Corning has completed the new construction of 170,000 square feet of space adjacent to the existing 328,000 square-foot facility that it owns and has started renovations of the existing facility, which is a worldwide research and development center for Corning and plays an extremely important role in discovering new technologies. To date, the company has incurred \$256 million in project expenses. As a result of the project, 1,500 existing jobs will be retained and 300 new jobs will be created; however, Corning has already created 515 new jobs, exceeding the job requirement.

The Board approved the following Regional Council Capital Fund grants:

Niagara County Community College Culinary Institute – Priority Project (Western New York Region – Niagara County) – \$2,000,000

Niagara County Community College (NCCC), a public higher education institution registered with the State University of New York, has transformed a vacant structure in the heart of downtown Niagara Falls into the Niagara Falls Culinary Institute. The \$26.1 million project involved NCCC developing and fitting out 90,000 square feet of space through adaptive reuse of the former Rainbow Centre Mall into the Culinary Institute. As a result of Governor Cuomo's Regional Economic Development Council Initiative, NCCC was awarded a grant of up to \$2 million to offset construction costs associated with establishing a Small Business Development Center (SBDC), business incubator, and test kitchen as part of the development of the Culinary Institute to assist both students and members of the community with building and improving their businesses.

The Culinary Institute, when it reaches full enrollment, will accommodate 1,000 students and associated faculty. The facility will include eight teaching kitchens/classrooms; three student-staffed and Culinary Institute-managed restaurants and a wine boutique/tasting lab; an adult learning center; a culinary theatre/lecture hall; a culinary-themed Barnes and Noble® College Bookstore; exhibition space; 650 square-foot retail boutique selling incubator and locally-made products; and an 1,800 square-foot Business Resource Center, which will include the newly-established SBDC. The Business Resource Center, operated by NCCC, will provide key services to culinary entrepreneurs including office incubator space, access to office equipment, an approximate 1,900 square-foot test kitchen, and access to a commercial kitchen. NCCC will select occupants of the incubator space through a comprehensive application process to identify what entities are most likely to succeed in this atmosphere.

Construction of the Culinary Institute was substantially complete in 3rd quarter last year, allowing for the enrollment of 368 students in the Fall 2012 semester. The SBDC and Resource Center were substantially completed in January 2013, and the retail boutique was completed in March 2013.

Growing Upstate Food Hub – Priority Project (Central New York Region – Madison County) – \$2,538,600 (multiple grants)

Growing Upstate Food Hub, LLC (GUFH), a consortium of farmer-owned agribusiness entities that have joined forces to address the capital-expense, management, and logistical challenges associated with the processing of its agricultural products, will use grants totaling \$853,600 to build a shared-use facility in Canastota, Madison County, that will support local growers and food producers to differentiate their products by adding value, and to sell and market their products more efficiently and cost-effectively. Additionally, GUFH will engage key personnel to serve the management, sales, and accounting needs of the participating entities and the regional farming community. An industrial site in Canastota that contains two long vacant structures has been identified to redevelop as a shared-use facility for the consortium – one structure is 48,000 square feet and an adjacent structure is 5,600 square feet. Total project costs to redevelop the sites are \$4,236,000.

As a result of the Governor's Regional Economic Development Council Initiative, the Food Hub was identified by the Central New York REDC as a priority project and GUFH was awarded \$810,000 for its creation. The Central New York farming community excels at agricultural production in its meat, dairy, cereals and vegetables, and there is a tremendous market for locally-produced food products, both in the Central New York and metropolitan New York regions. There are, however, issues that deter farmers from capturing their products' added value, thus limiting the evolution of Central New York's primary products into market ready food products. With ESD's financial assistance, GUFH will help farmers overcome these issues.

To support the redevelopment of these sites, additional grants being provided to GUFH and the Village of Canastota include a grant of up to \$43,600 to be used for a portion of the cost of a feasibility study associated with the creation of the Food Hub and a \$1,685,000 Restore NY grant to the Village of Canastota to rehabilitate the shell of the Food Hub.

Upon completion, the shared-use facility will provide the members and future area farmers with food-processing space, refrigerated and frozen product warehousing, and additional needed office space. There will also be a year-round retail storefront constructed, community farmers' market and a teaching kitchen. A Food Hub will improve Central New York's agriculture product distribution by creating a centrally located space with access to the New York State Thruway, to facilitate the aggregation, storage, and distribution of value-added agricultural products. It is anticipated that the annual wholesale market value of products processed at the Food Hub will be approximately \$13.11 million, all of which will remain in the local economy. The project is scheduled to be completed in December 2014.

The Board approved the following Economic Development Fund grants:

Anheuser-Busch, Inc. (Central New York Region – Onondaga County) – \$900,000

Anheuser-Busch, Inc. (ABI), which operates 12 breweries across the United States for its parent company, Anheuser-Busch Companies, Inc. (ABCI), the nation's leading brewer, will use a grant of up to \$900,000 for a portion of the costs of the renovations and reconstruction to its Baldwinsville location necessary to accommodate new machinery and equipment, allowing for the relocation of a 24-ounce canning line to the plant. The \$7.5 million project included internal construction within 45,000 square feet of existing space, as well as modifications to utilities, infrastructure, and telecom to accommodate installation of the relocated and new machinery and equipment.

When InBev purchased and merged with ABCI in 2008, the Baldwinsville plant was the most expensive per unit of ABI's 12 breweries, running at 50 percent capacity. ABI, seeking ways to increase operating capacity and lower costs, approached ESD for an incentive to convince its parent company to relocate the 24-ounce can line to Baldwinsville. The State of New Jersey had also offered incentives in an attempt to retain the 24-ounce can line; however, ESD's incentive secured the relocation of the can line and without the assistance, ABI predicted continued business and job erosion and the possible closure of the Baldwinsville plant.

The 24-ounce can line was relocated to the Baldwinsville brewery in November 2012, increasing the plant's capacity utilization and providing significant logistical savings that have enabled ABI to retain 398 full-time permanent jobs.

D&W Diesel, Inc. (Central New York Region – Cayuga County) – \$250,000

A family-owned business formed in 1976 in New York State, D&W Diesel is distributor, remanufacturer, and servicer of diesel engines and related components sold to the trucking-transportation and other industries. To accommodate its increasing Northeastern regional sales and service business, D&W found they need to expand one of their facilities to accommodate much needed space and equipment. ESD is providing the company with a grant of up to \$250,000 for the business expansion project, which could not have been accomplished at the Auburn facility without financial assistance.

The company has constructed a new 30,000 square-foot addition to its existing facility and purchased new machinery and equipment needed to expand warehousing and production. The project began in January 2011 and was completed in December 2012 at a cost of \$3,293,000. D&W has retained 155 existing jobs and will create 31 new jobs over three years, and 15 jobs have already been created.

GSE Dynamics (Long Island Region – Suffolk County) – \$250,000

GSE Dynamics, an industry leader in complex assembly, advanced composites technology, metal fabrication and support processes, serving all branches of the U.S. Department of Defense, first saw the need for expansion in 2010 after receiving two significant defense contracts from the U.S. Air Force. In order to retain existing jobs, and execute a planned growth strategy, the company needed to acquire additional factory space, invest in new machinery and equipment, and streamline its manufacturing process.

GSE considered expanding its operations in South Carolina or Georgia; however, with the support of a grant of up to \$250,000 from ESD the company was able to maintain its presence and strong business ties on Long Island. GSE will consolidate and relocate two of its existing operations (one located in Georgia, and one in Hauppauge) into one new facility in Hauppauge. The \$1.75 million project will result in 10 new jobs and retain 48 existing employees. The relocation from the Georgia facility is expected to be completed this summer.

International Controls Corporation (Central New York Region – Onondaga County) – \$160,000

International Controls Corporation (ICC), a manufacturer of electronic controls for the heating, ventilation, air conditioning, cooling and refrigeration industries (HVAC/R), has acquired new machinery and equipment necessary to upgrade its North Syracuse plant. ICC is emerging as an industry leader and is positioning itself at the forefront of some of today's technological advances in automation and energy management controls, and the company is looking to expand into Europe, Latin America, and South

America. When ICC's parent company, International Controls and Measurement Corporation (ICM), approached ESD for potential assistance, the company was facing growing competitive pressures from China and other offshore producers. ESD responded with a \$160,000 capital grant, which enabled ICC to complete the upgrades and has allowed ICC to remain competitive with overseas competition and expand sales. The \$1.6 million project will result in the creation of 25 new jobs and retain 30 local jobs.

The Board approved the following Urban and Community Development Program grants:

GrowNYC (New York City Region – Bronx County) – \$250,000

GrowNYC, an environmental non-profit that operates farmers markets, community gardens and educational programs in New York, will use a grant of up to \$250,000 for a portion of the costs of expanding its facility, which involves leasing, preparing and equipping a plot of land located in the Hunts Point section of the Bronx that will operate as a Wholesale Green market. The new location will replace GrowNYC's current wholesale greenmarket, which is currently operating out of the New Fulton Fish Market. Preparation of the land will involve paving what is now an unfinished lot. In addition, GrowNYC will lease and equip an existing facility nearby to serve as GrowNYC's new distribution hub. The completed distribution facility will include a walk-in cooler, office equipment, forklift and trucks.

GrowNYC first approached ESD in response to Governor Andrew M. Cuomo's pledge in his inaugural State of the State address to establish a wholesale farmers market in the Bronx. The organization needed assistance to close a funding gap in the cost of the project. ESD's working capital grant will facilitate critical operations at the Organization's wholesale farmers market and distribution hub. The project is consistent with the New York City Regional Council's Strategic Plan, embracing each of the plan's key components of improving quality of life, fostering a pro-growth environment, investing in the future, and promoting interregional cooperation.

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

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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