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ESD BOARD APPROVES FUNDING FOR PROJECTS THAT WILL LEVERAGE OVER \$180 MILLION IN INVESTMENTS, CREATE OR RETAIN MORE THAN 750 JOBS ACROSS NEW YORK STATE

Empire State Development’s Board of Directors met today in New York City and approved \$16.6 million in funding for projects that will create more than 75 new jobs and retain nearly 700 jobs throughout the Empire State. This funding will leverage over \$180 million in additional investments to support business growth and lay the groundwork for future economic growth and job creation.

“Under Governor Cuomo’s leadership, ESD is having its busiest year ever supporting businesses as they grow and create new jobs for New Yorkers. The Regional Councils are guiding State resources to key regional priorities that are maximizing the return on investment, creating jobs and spurring the private sector activity we need to grow our economy,” said Empire State Development President, CEO & Commissioner Kenneth Adams. “ESD will continue to partner with businesses, organizations and universities – no matter how big or how small – to help them create jobs and drive our economy forward.”

The Board approved the following Regional Council award grants:

Route 7 Corridor (Mohawk Valley Region – Schoharie County) – \$4,100,000

Identified as a priority project by the Mohawk Valley Regional Economic Development Council, the town of Cobleskill in Schoharie County will oversee the construction of a sanitary sewer collection and water system to serve the Route 7 corridor, County Route 8, and Howe Caverns Road. The project’s new construction – collectively known as the Route 7/Howe Caverns Road Corridor Expansion Project – will replace the existing private systems that have been in use for years, spurring future development and expansion at Howe Caverns Road and along the Route 7 corridor, boosting potential tourism and economic development potential.

Smart Cities Technology Innovation Center (Capital Region – Albany County) – \$4,000,000

The SUNY College of Nanoscale Science and Engineering (CNSE) has acquired the landmark Kiernan Plaza in downtown Albany, a critical step to spur revitalization of the vacant building into a hub for “smart cities” technology companies, research, education and workforce training. The \$30 million CNSE-led initiative, identified as a priority project by Governor Cuomo’s Capital Region Economic Development Council (CREDC), will position New York as a global leader in this emerging high-tech industry. The renovation will include reconfiguration of the building

systems to accommodate a multi-tenant building occupancy along with the fit-up of common and individual tenant spaces, bringing jobs to downtown Albany.

The Smart Cities Technology Innovation Center (SCiTC) will leverage existing partnerships while building new collaborations across academia, the private sector and government to make the Capital Region a destination of choice. The project will foster downtown revitalization by reoccupying a long vacant historical landmark in an economically distressed area. In partnership with CNSE, the project is expected to bring approximately 150 jobs to the SCiTC Center over five years, offering high tech companies an opportunity to live and work in a downtown urban center and branding the City of Albany as a progressive, sustainable, smart technology living destination.

Western Region Corporation (Western New York Region – Erie, Niagara, Allegany, Cattaraugus, and Chautauqua Counties) – \$2,012,780

Established in 1989 to promote economic development in Western New York, the Western Region Corporation (WRC) is a non-profit that works closely with local IDAs to strengthen small businesses and create jobs. As a result of the Governor's Regional Economic Development Council Initiative, WRC was awarded \$2,012,780 through the CFA process to establish and maintain a program providing low-interest gap-financing to redevelop and improve downtown commercial centers in the region. The project is expected to leverage private investment; be a catalyst for community revitalization; reduce sprawl; revitalize older downtown structures; expand housing, commercial and retail options; and create new employment opportunities. It is expected to be completed in April 2017.

GUSC Energy, Inc. (Mohawk Valley Region – Oneida County) – \$1,500,000

GUSC Energy, Inc. provides the steam and electricity to Griffiss Utility Services Corporation, which distributes steam heat and electricity to the tenants of Griffiss Business and Technology Park in Rome, Oneida County. In 2011, GUSC sought to construct a new, 15 MW (megawatt) Biomass, Combined Heat and Power plant (CHP) at the Park. The purpose of the proposed facility was to use biomass to generate steam and electricity for Park tenants who include the United States Air Force, New York Air National Guard, and Department of Defense entities. The company sought to diversify fuel resources which support energy needs at the Park, and to achieve renewable energy goals mandated by the Department of Defense, while providing rate stability and savings on energy costs. In addition, GUSC wished to provide significant opportunities for locally-sourced timber that could re-purpose underutilized forestry products in the North Country, which have experienced a decline due to loss of production in the paper and furniture production industries.

The Mohawk Valley Regional Economic Development Council (MVREDC) awarded GUSC a \$1.5 million grant in 2012 as the project aligns with its Strategic Plan for the region by supporting job-creation efforts, upgrading aging infrastructure systems and helping to optimize the use of key physical assets. The CHP facility was recently completed and will provide more than 60 Griffiss Business and Technology Park tenants with a more stable, long-term energy solution. Replacing grid-sourced electricity and steam generation with renewable, readily-available

biomass fuels gives the facility and its tenants the benefit of more stable and controlled future energy prices. The project should result in a 10-20% savings to the Park's energy customers. These savings will serve to provide a direct economic benefit to local businesses, while reducing the carbon footprint of the entire Park and producing fewer emissions of harmful gases such as nitrogen and sulfur dioxides.

Madison Barracks (North Country Region – Jefferson County) – \$500,000

Madison Barracks is a complex that offers rental housing to soldiers and their families in the Fort Drum area. As part of Governor Cuomo's Regional Economic Development Council initiative, Lawler Realty, owner of Madison Barracks, was awarded \$500,000 from the North Country Regional Economic Development Council towards its waterline improvement project in Sackets Harbor, Jefferson County. This infrastructure project will upgrade the supply of water for health and safety, installing new waterlines and fire hydrants. The project will be completed in November 2013 and has a total project cost of \$1,350,000.

Little Theatre Film Society (Finger Lakes Region – Monroe County) – \$180,000

A staple of downtown Rochester since 1929, the Little Theatre is one of the region's premiere venues for independent and foreign films and an anchor business of Rochester's East End entertainment district. Due to the film industry's shift to digital distribution and projection, the future of the theatre was in question, the Little Theatre could not continue to show films if it did not make the conversion to digital formats. As a result of Governor Cuomo's Regional Economic Development Council initiative, the Little Theatre was awarded \$180,000 from the Finger Lakes Regional Council to support the \$390,000 project, which includes purchasing and installing digital conversion and sound processing equipment. The project was completed in July 2013; it retained nine full-time and 30 part-time positions, and helped preserve a downtown Rochester cultural and artistic landmark for future generations.

Center for Economic Growth (Capital, Mohawk Valley, Southern Tier, Central New York and Finger Lakes Regions – Albany, Rensselaer, Greene, Schenectady, Saratoga, Warren, Washington, Broome, Cayuga, Chenango, Madison, Montgomery, Onondaga, Otsego, and Seneca Counties) – \$125,000

The Center for Economic Growth (CEG) is a regional economic and business development organization dedicated to developing and promoting efforts to attract high technology businesses and providing innovative services to improve the business climate of New York. As a result of Governor Cuomo's Regional Economic Development Council initiative, CEG was awarded \$125,000 through the Consolidated Funding Application (CFA) process to support the development and submission of an application to the EB-5 Immigrant Investor Program. The application seeks to establish a Regional Center on the Capital Region's behalf and it is anticipated that the Prime Regional Center designation will be made by December 2013. The Center will promote and market the EB-5 program and the benefits it offers to targeted communities and industries and to potential foreign investors, and assist foreign investors and businesses seeking capital.

The Board approved the following Economic Development Purposes Fund grant:

Buffalo Investment Strategy (Western New York - Erie County) – \$200,000

As part of the Western New York Regional Economic Development Council's Buffalo Billion Investment Plan, the University at Buffalo Regional Institute (UBRI) is facilitating the design, development and implementation of the planning process of the Buffalo Investment Strategy. The project will play a vital role in the region, eventually allowing for significant and measurable positive impacts on regional jobs and private investment. As a result of the research, planning, and outcomes from public engagements, UBRI was able to provide planning context with the Brookings Institute and McKinsey and Company for implementation initiatives for the \$1 Billion Plan. The investment initiatives that were proposed to Governor Cuomo are Advanced Manufacturing, Health/Life Sciences, Tourism, Entrepreneurship, Workforce Development, and Revitalization. Advisory councils for each strategy have been formed for each investment initiative and are currently assisting UBRI with the implementation of the \$1 Billion Plan.

The Board approved the following Empire State Development Fund grants:

General Motors Components Holdings (Finger Lakes Region – Monroe County) – \$3,000,000

General Motors Components Holdings, LLC, (GMCH) a subsidiary of the General Motors Company, Inc. (GM), manufactures automobile parts (engine management and fuel injection systems) in Rochester that are used by GM and at least 20 other customers worldwide. In 2010, GMCH made the decision to manufacture components of its Gen-V fuel injectors in-house, moving production to New York from a supplier in Ohio. In order to reduce costs and make the project feasible in New York, the company approached ESD for financial assistance. ESD offered a \$3 million capital grant to offset the \$103 million cost, and in return the company pledged to retain 669 jobs that otherwise may have been lost due to the outsourcing. To date, the company has surpassed this pledge and employs 926 individuals. The Gen-V injectors are used in the 2014 model year GM trucks now in showrooms.

Agrana Fruit US (Central New York Region – Onondaga County) – \$600,000

Agrana Fruit US (AFUS), a manufacturer of prepared fruit for the dairy industry and bakery applications, is currently constructing a new facility in Baldwinsville, Onondaga County. The preparation plant project is a direct result of the State's support of the yogurt industry, which led the nation in production in 2012. As the company sought to expand operations by opening a new plant, they considered sites and offers from several states, including New York. To help offset the total cost of the \$49.5 million project, ESD offered a \$600,000 capital grant in return for the creation of 60 new jobs. The project is slated for completion in April 2014.

American Douglas Metals (Western New York Region – Erie County) – \$200,000

A company that manufactures and processes aluminum and steel products, American Douglas Metals primarily makes products for companies in the window and door industry. In August 2012, the company notified ESD that it was experiencing rapid growth and needed more space; their current 30,000-square-foot facility in Tonawanda could not accommodate current and future operations. The company was considering relocating from Tonawanda to a larger Western New York facility, or relocating to its existing Orlando or Atlanta facilities. ESD offered

American Douglas a grant of \$200,000 to help offset the costs of the new facility and necessary renovations. The \$2.4 million project is anticipated to be completed in September 2013 and will result in the creation of 17 new jobs.

The Board approved the following Small Business and MWBE Transport Capital Assistance and Guaranteed Loan Program | ESD/NYS Department of Transportation Contractor Loan Program grants:

Certified Safety Products of New York (Western New York Region – Erie County) – \$240,000

Certified Safety Products of New York, Inc., a manufacturer and installer of temporary and permanent traffic signs, is a privately-owned New York State Certified Woman-Owned company that will undertake the manufacturing and installation of permanent traffic signs on Route 33 in Buffalo. Working in partnership with the New York State Department of Transportation, ESD offered the company a loan of \$240,000 for expenses associated with Concrete Applied Technologies Corporation from its Small Business and Minority-Owned and Woman-Owned Business Enterprises Transportation Capital Assistance and Guaranteed Loan Program. The total project cost is \$746,000 and is expected to be completed in November 2014.

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

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