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EMPIRE STATE DEVELOPMENT APPROVES NEARLY \$9 MILLION TO FUND PROJECTS GENERATING ECONOMIC GROWTH AND OPPORTUNITY ACROSS NEW YORK STATE

The Empire State Development (ESD) Board of Directors has approved nearly \$9 million to fund nine projects generating economic growth and opportunity across New York State. These targeted investments will leverage over \$38 million in private and other public funding to support small businesses, community and downtown revitalization, regional tourism, and other initiatives that are building a strong foundation for future economic development and job creation. The projects approved by the ESD Board of Directors will create 68 new jobs and retain 677 existing jobs in New York State.

“The funding approved by the Board of Directors will enable ESD to support key projects statewide and grow new opportunities for New Yorkers,” said Empire State Development President, CEO & Commissioner Kenneth Adams. “By helping critical regional employers expand, providing funds for MWBE programs and strategic industries, and improving local communities through infrastructure investment and downtown revitalization, these projects are generating key economic activity and paving the way for future development in New York State.”

The Board approved the following Regional Council award grants:

Lewis County Development Corporation – (North Country Region – Lewis County) - \$1,000,000

Lewis County Development Corporation (LCDC), a not-for-profit organization dedicated to expanding economic development activity in Lewis County, will use a grant of up to \$1 million to help finance its Lyons Falls brownfield redevelopment project, and create a shovel ready greenfield site to promote business expansion and economic development in Lewis County.

The 9.4 acre site contained 20 dilapidated buildings from the abandoned Lyons Falls Paper Mill. The LCDC has developed plans, obtained permits, removed hazardous materials and completed demolition of the derelict industrial mill buildings in order to ready the 9.4 acre industrial brownfield site for future use as a modern commercial industrial park. The LCDC applied for funding assistance through Round 2 of the Regional Economic Development Council process

and was awarded \$1 million. Without ESD's funding assistance, the project would not have moved forward.

This project is consistent with the North Country Regional Economic Development Council's goal to attract additional private investment, create jobs and expand economic development in North Country communities.

SUNY RF Center for Computational Research – (Western New York Region – Erie County) - \$1,000,000

The Research Foundation for the State University of New York (SUNY RF), a private not-for-profit educational corporation that administers externally funded contracts and grants for and on behalf of the State University of New York (SUNY), will use a grant of up to \$1 million on behalf of the University at Buffalo (UB) as reimbursement for a portion of the cost of expanding the high performance computing and data analytics infrastructure at UB's Center for Computational Research (CCR), located within the New York State Center for Excellence in Bioinformatics and Life Sciences (COE).

The use of high performance computation (HPC), big data analytics and advanced simulation have become a driving force of job creation and economic growth nationwide, and UB's Center for Computational Research also uses this technology. Most of the CCR's computing resources, which have undergone periodic upgrades since CCR inception in 1998, are obtained through federal grants that prohibit their use for activities unrelated to SUNY RF research, though a smaller portion of CCR's capabilities are funded through sources that support private sector engagement, including economic development activities for smaller companies lacking advanced computing infrastructures.

In 2013, SUNY RF notified ESD that the resources needed to meet the current and future private sector demand far exceeded the current capacity of the CCR's remaining computing resources. As a result of Governor Cuomo's REDC Initiative, SUNY RF was awarded a \$1 million grant through the CFA process to expand HPC infrastructure at the CCR. The project has expanded the CCR's ability to provide local companies with on-demand, immediate access to advanced computing and storage infrastructure and consulting services allowing for improved productivity and the implementation of innovative proprietary product and processes development particularly in the advanced manufacturing, life sciences and IT sectors.

This priority project is consistent with the Western New York Regional Economic Development Council's plan to foster innovation and economic growth, particularly in advanced manufacturing, life sciences, and information technologies, and enable local industries to remain competitive in global markets.

WST33 Plaza of the Arts – (Central New York Region – Cayuga County) - \$700,000

WST33, LLC, a real estate holding company and subsidiary of Soules and Dunn Development Group, will use a grant of up to \$700,000 for a portion of the construction and renovation costs

to repurpose a blighted building in downtown Auburn in order to establish the Plaza of the Arts and promote tourism and business expansion in Auburn, New York.

WST33, LLC is the real estate holding company for several Arby's, Domino's Pizza and Tim Horton's restaurants along the East Coast, including New York, Pennsylvania and Virginia. In December 2012, the company saw an opportunity to address the lack of state-of-the-art office space in Auburn and attract visitors to its burgeoning arts and theatre facilities by repurposing a blighted building in downtown Auburn. The company proposed a plan to acquire the property, demolish the existing derelict building and replace it with a 20,000-square-foot, two-story mixed use building called the Plaza of the Arts. WST33, LLC applied for funding assistance through Round 2 of the Regional Council CFA process and was awarded a \$700,000 grant to assist with financing of the redevelopment of the property.

The project was completed in August 2014, and the building now encompasses retail, restaurants, high-level corporate headquarters, medical related office space and over 5,000 square feet of pedestrian-friendly park space for outdoor dining and special events. Additionally, WST33, LLC and Grant Avenue Development, Inc., another Soules and Dunn Development Group subsidiary, relocated their existing headquarters offices to the new building. The project is consistent with the Central New York Regional Economic Development Council's goal to revitalize the region's urban cores, main streets and neighborhoods. As a result of this project, Grant Avenue has retained 16 jobs and created 7 new jobs.

Pratt Institute – (New York City Region – Kings County) - \$500,000

Pratt Institute (Institute), a global leader in higher education, will use a grant of up to \$500,000 for a portion of the renovation and purchasing costs of the machinery, furniture, fixtures and equipment needed to expand the Pratt Design Incubator for Sustainable Innovation (PDI) and the Brooklyn Fashion and Design Accelerator (BF+DA) at the Institute's facilities in New York City.

Founded in 1887, Pratt Institute is dedicated to preparing its students for successful careers in art, design, architecture, information and library science, liberal arts and science. All of the Institute's facilities are located in New York City; the Institute's main campus is located in Brooklyn and there is a satellite campus in Manhattan. In July 2012, the Institute approached ESD for financial assistance to renovate its Engineering Building at 200 Willoughby Avenue in order to accommodate the move of the PDI and renovate the 7th floor at 630 Flushing Avenue to house the BF+DA and the Micro-run Sustainable Production Center (MSPC), previously located at the Brooklyn Navy Yard.

In order to fill a financing gap, the Institute applied for funding through Round 2 of the Regional Economic Development Council CFA process, and was awarded \$500,000. As a result of the project, the new PDI will act as an entrepreneurship center serving the Institute's 5,000 students, 900 faculty, and 10,000 local alumni, as well as Brooklyn residents and businesses. In addition, the new 21,000-square-foot BF+DA will allow the Institute to improve the quality of services and resources, and triple the number of start-ups small businesses it serves. BF+DA

will also provide city-wide access to the micro-run production center. The PDI and the BF+DA will help build Brooklyn's art and design economy by supporting entrepreneurs and small fashion and design businesses to connect with the manufacturing industry and mentoring resources.

The project is consistent with the New York City Regional Economic Development Council's goal to support industry/education partnerships to improve job preparation and education programs.

Chenango Place, LLC – (Southern Tier Region – Broome County) - \$250,000

Chenango Place, LLC, a real estate development and management company specializing in mixed-use development, will use a grant of up to \$250,000 to be used for a portion of the cost of construction and renovation of the commercial space in a mixed-used building on 7 Court Street in Binghamton, Broome County.

In Round 2 of the Regional Council process, Chenango Place, LLC submitted a proposal for an historic mixed-used development project, but the proposal did not receive assistance due to unforeseen delays in the design phases of the project. After a year of preparation and finalizing all design approvals, the company re-submitted in Round 3 and was selected as a priority project by the Southern Tier Regional Economic Development Council as it is consistent with the Council's strategic plan to revitalize the region's downtowns, main streets, and neighborhoods through smart and sustainable practices for community development.

The project will help to create 20 new jobs, increase residential options in the urban core, support local business development, and repurpose a non-performing historic building. The project will have an immediate impact on a historically under-utilized commercial corridor in downtown Binghamton and compliment waterfront initiatives that aim to optimize the use of public outdoor spaces.

Ephesus Technologies– (Central New York Region – Onondaga County) - \$150,000

Ephesus Technologies, a woman-owned LED lighting-innovation company, will use a grant of up to \$150,000 for a portion of the machinery and equipment costs to relocate its headquarters in downtown Syracuse, New York. Ephesus designs, engineers, and manufactures a portfolio of LED lighting products in New York State which are used in a broad range of applications, including warehouses, manufacturing facilities, parking lots, garages, roadways, stadiums, tunnels and bridges. The company is dedicated to producing sustainable, environmentally-friendly products that do not contain mercury or rare earth metals.

In June 2011, Ephesus sought to relocate from its original home in the Syracuse Technology Garden to an existing 5,000-square-foot facility in downtown Syracuse. The company intended for the new space to serve as headquarters for its operations in addition to providing a place to test and showcase its LED lighting fixtures. Ephesus wished to capture a greater share of the current LED fixture market by differentiating its products from other LED manufacturers and centralizing creation of all fixtures at its new headquarters. However, the company was unable to fund the required renovation and equipment purchase needed to occupy the new facility,

and sought financial assistance during the first round of the Regional Economic Development Council process.

This project, endorsed as a regional priority, is consistent with the Central New York Regional Economic Development Council's strategic plan to strengthen advanced manufacturing and support targeted industry concentrations that leverage unique economic assets. As a result of this project, the company will retain 10 existing jobs and create 24 new jobs.

The Board approved the following SUNY Sub-Allocation Capital Grant:

Rich Products Corporation – (Western New York Region – Erie County) - \$2,000,000

Rich Products Corporation, a producer and distributor of frozen foods, will use a grant of up to \$2 million to be used as reimbursement for a portion of construction and renovation costs to expand the company's research and development operations and create a new Customer Innovation Center in Buffalo, New York.

Rich Products was founded in Buffalo in 1945 as the world's first nondairy whipped topping manufacturer, and now has over 9,300 employees in over 34 manufacturing facilities in more than 112 countries on six continents. The company has established manufacturing operations outside New York State over the years, but still maintains its global headquarters in Buffalo.

In 2012, Rich Products sought ESD's assistance to expand its research and development operations and establish a new Customer Innovation Center to remain competitive and support future growth. ESD offered an incentive which included a \$2 million capital grant for the retainage of 651 Buffalo jobs and up to \$1,662,500 in credits from the Excelsior Jobs Program for 918 jobs statewide. Based on the addition of 17 new jobs, ESD issued a revised incentive, increasing the Excelsior Credit to \$2,938,250. Rich Products considered locations in Florida, Georgia, Tennessee, Toronto and Hong Kong for the expansion project. Without ESD's assistance, the project most likely would have taken place outside of New York State.

As a result of the project, the company has retained 651 jobs and created 74 new jobs.

The Board approved the following economic development programs:

Craft Beverage Grant Program– (Marketing and Tourism Grants for Craft Beverage Industry) – (Statewide) - \$3,000,000

The statewide Craft Beverage Grant Program, an overall \$6 million initiative to support New York States burgeoning craft beverage industry, will use a grant of \$3 million to support two major components of the program - the Craft Beverage Marketing and Promotion Grant Program and the Craft Beverage Industry Tourism Promotion Grant.

At the 2014 Wine, Beer and Spirits Summit, Governor Cuomo announced \$4 million in State funding, matched by \$2 million in private investment, to support the craft beverage industry in expanding its marketing, promotion, and tourism initiatives. The program will increase the profile, awareness and sales of New York State produced wine, beer, spirits, and hard cider by

providing matching funds for the marketing and promotion of these craft beverages. The program and each funded proposal will work to support the Regional Economic Development Councils' long term strategic plans for economic growth in their regions.

Minority-and-Women owned Business Enterprises Contractor Bonding Preparedness Training and Technical Assistance program – (Statewide) - \$125,000

The Research Foundation for The State University of New York (SUNY RF) on behalf of the Small Business Development Center Network will receive a \$125,000 technical assistance grant to launch a program that will assist New York State Certified MWBEs or MWBEs that will be certified within a year to secure bonding for public contracts.

The New York Small Business Development Center was founded in 1984 as an administered unit of the State of University of NY. The SBDC has advised over 500,000 small - medium enterprises, approximately 35% of which are MWBEs. In partnership with the Governor's Office, ESD, and the Surety Fidelity Association of America, the SBDC developed a bond preparedness program curriculum that includes classroom training and one on one direct business advisement. With the launch of the MWBE Contractor Bonding Preparedness Training and Technical Assistance Program, SBDC counselors across ten SBDC centers statewide will work one-on-one with 200 eligible MWBEs or soon-to-be certified MWBEs to become certified contractors, enabling the firms to participate in a comprehensive bonding training, which will include classroom instruction at ten SBDC statewide locations and centers. The program will help NYS MWBE firms become informed about the bonding process and allow them to successfully bid and perform on government contracts and other contract opportunities that require bonding in New York State.

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

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