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Contact:

Warner Johnston (ESD) | wjohnston@empire.state.ny.us | 1-800-260-7313

Lisa Willner (ESD) | lwillner@empire.state.ny.us | 1-800-260-7313

ESDC BOARD APPROVES GRANTS LEVERAGING NEARLY \$32 MILLION IN PRIVATE INVESTMENTS TO RETAIN AND CREATE JOBS ACROSS NEW YORK STATE

537 jobs to be retained and 367 new jobs to be created

Empire State Development Corporation's Board of Directors met today in New York City and approved funding totaling more than \$10.2 million, pledging to retain 537 existing jobs and create 367 new jobs in New York State. The funding will leverage nearly \$32 million in private investments across the state.

Empire State Development Corporation's Board of Directors met last month in Albany and approved funding totaling more than \$10 million, pledging to retain 1,330 existing jobs and create 396 new jobs in New York State. The funding will leverage nearly \$30 million in private investments across the state.

During the first half of fiscal year 2010-11, the ESD Directors approved 176 projects totaling approximately \$113 million in grants and \$6 million in loans. Of this total, 59 projects totaling approximately \$30 million in grants were non-discretionary legislative items. 117 projects, totaling \$83 million in grants and \$6 million in loans, were related to job retention and creation or other economic development programs. These projects retained over 6,200 jobs and created over 2,700 jobs. All grants and loans approved leveraged approximately \$1.6 billion in investment from other sources.

Restore New York Communities Initiative

The ESDC Board has authorized the following Restore New York Grants. The Restore New York program is targeted toward the revitalization of urban areas and the stabilization of neighborhoods as a means to attract residents and businesses.

Town of Dover – Knolls of Dover - \$2,500,000 (Dutchess County)

Dover has been awarded a Restore NY III grant of up to \$2,500,000 to be used for a portion of the cost of the remediation and demolition of two buildings at the former Harlem Valley Psychiatric Center ("HVPC") in the hamlet of Wingdale. HVPC was the largest employer in the region for seventy years, but in 1994 the facility closed in accordance with New York State's gradual move away from large mental institutions toward community-based care models for patients. Since then, the 850-acre site has been abandoned and deteriorating. In 2003, the Dover Knolls Development Co. II, LLC purchased the facility from New York State with plans to revitalize the former HVPC campus into a mixed-use community centered around the existing MetroNorth commuter rail line and NYS Route 22. The Knolls of Dover will include 1,376 residential units, about 245,300 square feet of commercial space, and 77,000 square feet of community facility space. Total project cost is \$43,006,722.

Town of Richmondville – Maranatha Family Center - \$2,314,600 (Schoharie County)

Richmondville has been awarded a Restore NY III grant of up to \$2,314,600 to be used to offset the costs of the construction of a new facility for Maranatha Physical Therapy & Rehabilitation. The successful physical therapy practice has outgrown the space it has occupied since 1985. A new, state of the art therapy, fitness and recreation center, will benefit Richmondville by facilitating a new recreational area with private investment and job creation. The new center will be built on 23 acres and include gyms, outdoor sports fields, offices and more. Local orthopedists, physical therapists and fitness instructors have expressed interest in leasing the 7,500 square feet of available tenant space. Total project cost is \$5,292,729.

Town of Huntington – Columbia/Tower Street Housing - \$1,560,000 (Suffolk County)

Huntington has been awarded a Restore NY II grant of up to \$1,560,000 to contribute to the cost of demolition, renovations and new construction. After the end of World War II, the Town, located on the north shore of Long Island, experienced a large increase in population. At the time, Huntington responded to the attendant housing crises by bulldozing many viable businesses and homes. Very little replacement of the demolished structures occurred, causing further strain on affordable housing opportunities. Recently, the Huntington Community Development Agency has partnered with the Town to purchase substandard and blighted rental housing abandoned by absentee landlords, rehabilitate the housing and sell it to first-time homebuyers. Eight new homes, each including a much needed rental unit, will be located on Tower Street, Railroad Street, Lowndes Avenue and Columbia Street. Total project cost is \$2,198,175.

City of Elmira – Federal Building Redevelopment - \$1,250,000 (Chemung County)

Elmira has been awarded a Restore NY III grant of up to \$1,250,000 to go toward the costs associated with the redevelopment of the vacant Federal Building downtown. The City's Central Business District has been designated as blighted, with 33% of properties vacant. It is difficult to attract private investment money for projects because of high initial renovation costs. The Federal Building, which is listed on the State and National Register of Historical Places, will undergo exterior restoration, such as a new roof and windows, and indoor work to repair water damage, repair the existing elevator and remove lead and asbestos. Southern Tier Economic Growth, a local economic development agency, will market the property to private developers, who will then complete the remaining interior renovations to suit intended tenants. Total project cost is \$1,390,961.

City of Ithaca – Downtown Commons - \$1,150,000 (Tompkins County)

Ithaca has been awarded a Restore NY III grant of up to \$1,150,000 to offset the cost of the redevelopment and rehabilitation of two vacant commercial properties on the Ithaca Commons. This work will support the City's 2006 Economic Development Strategy by 1) increasing and diversifying the housing supply; 2) improving workforce and business skills; and 3) revitalizing unique commercial districts like the downtown Commons. The Petrone Building at 126-128 East State Street, currently home to a retail clothing store, a sandwich shop and a skateboarding store, will undergo the reconfiguration of its third and fourth floors to provide light manufacturing space for the clothing store and artist studio space. The vacant Plantation Building at 130-132 East State Street will be renovated into a street level Italian-Thai restaurant with a second floor banquet facility. The remaining top three floors, after asbestos abatement, a new HVAC system and elevator, and plumbing furnishing, will become ten one-bedroom apartments. Total project cost for the Petrone Building is \$390,000 and total project cost for the Plantation Building is \$2,469,576.

The following were awarded Economic Development Fund grants:

New York State Energy Research and Development Authority - \$600,000 (Saratoga County)

New York State Energy Research and Development Authority (“NYSERDA”) has been awarded a \$600,000 grant to be used for a portion of the cost of tenant fit-up, equipment and infrastructure items at a new building at the Saratoga Technology + Energy Park (“STEP”) in Malta. NYSERDA is a public benefit corporation that helps the State address its energy, economic and environmental challenges through developing a diversified energy supply portfolio, improving market conditions and facilitating the introduction and adoption of clean, sustainable and advanced technologies. NYSERDA is responsible for extending utilities into STEP, which is a 280-acre public-private partnership consisting of 1,250,000 square feet of R&D, light manufacturing, office and educational space while maintaining 77% green space. Private entities will undertake the development. Project activities include carpentry, flooring, HVAC, plumbing, electrical work, computer infrastructure, office set-up and more. Total project cost is \$2,187,138. The project will retain 62 tenant employees and create 138 new jobs.

Oriskany Manufacturing Technologies - \$200,000 (Oneida County)

Oriskany Manufacturing Technologies (“OMT”) has been awarded a \$200,000 grant to offset the cost of building renovation and expansion of its operations in New York Mills. The company, eager to remain competitive and increase its market share, will consolidate its fabrication, assembly, warehousing and front office operations in one facility and also purchase new machinery to expand their manufacturing line. OMT designs and manufactures tubular products – luggage racks, handrails, door grab handles and more – for the transit bus industry, which has experienced steady growth due to rising gasoline prices and demand for more environmentally friendly vehicles. Without ESD’s assistance, the company would have likely relocated to another state. The project will retain 51 existing jobs and create 35 new jobs. Total project cost is \$2,715,904.

Seneca Market I/Hart Hotels - \$135,000 (Schuyler County)

The legal entity Seneca Market I has been awarded a grant of \$135,000 to enable Hart Hotels’ construction of a new full-service hotel in Watkins Glen, the heart of the Finger Lakes wine country. Hart Hotels owns and operates six hotels in the greater Buffalo area, two in the Finger Lakes, and three in other states. The new four-story Watkins Glen Harbor Hotel & Conference Center has 104 luxury rooms and suites and an expanded banquet, meeting and conference center. It will be supported by tourist visits to nearby spots such as Watkins State Park, Seneca Lake and 23 local wineries. The project has created 60 permanent full-time jobs. Total project cost is \$19,147,632.

The following has been awarded a Downstate Revitalization Fund grant:

Chesapeake Pharmaceutical Packaging Company - \$106,000 (Nassau County)

Chesapeake Pharmaceutical Packaging Company has been awarded a grant of \$106,000 to be used for a portion of the cost of the acquisition and installation of machinery and equipment. Chesapeake manufactures roll labels, package inserts, individual folding cartons and more for customers such as Glaxo Smith Kline, Bristol-Meyers Squibb, and Pfizer. As pharmaceutical products become increasingly complex and customers and regulators demand more information be presented, “large format” package inserts provide all necessary information while maintaining the project’s package size. In 2009, the company decided to expand its “large format” operations at either its Hicksville, New York or North Carolina facility. ESD’s grant allows Chesapeake to maintain and expand its operations in Hicksville, keeping the location viable and avoiding transfer of employees out of state. Ninety jobs have been retained and 30 new jobs will be created. Total project cost is \$530,000.

Canal Side Land Use Improvement Project

On December 18, 2009, ESDC adopted a General Project Plan (“GPP”) for the Canal Side Land Use Improvement Project (the “Project”) based on the recommendations of its subsidiary, ECHDC. As described in the GPP, the Project was expected to include both private and public development of a 20 acre site in Downtown Buffalo. An important component of the GPP was the development of a major destination retail facility to be developed as a Bass Pro store. Since approval of the GPP, Bass Pro has withdrawn from the Project. As a result ECHDC is seeking to pursue development of the Project in phases, with the initial phase focusing on \$50 million in public infrastructure components, including the development of public canals and tow paths, a below grade parking garage and related amenities and infrastructure.

Tenant Repair and Improvement Loan Program

The Directors have authorized \$28.8 million in funding under the Tenant Repair and Improvement Loan Program, which will provide low cost loans to 8 affordable housing projects across the State. The loans, which are available to owners of eligible properties who commit to preserve their project’s affordability for a period of up to 15 years, will be used to address health and safety issues, enhance living conditions, and complete immediate quality of life improvements for Mitchell-Lama housing tenants.

The next meeting of the Board of Directors will tentatively be held the third week of November 2010, at a location to be announced closer to the time of the event.

Empire State Development is New York's chief economic development agency, committed to being recognized on a global scale as the economic development engine driving job growth, strategic investment and prosperity in New York State. ESD is intent on paving the way for New York State to become the leader of the innovation economy and one of the most business friendly, productive and competitive economic development climates in the world. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. Visit New York First at www.NYfirst.NY.gov for information on doing business in New York, and for more information about Empire State Development, please see www.esd.ny.gov .

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