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ESDC BOARD APPROVES GRANTS LEVERAGING OVER \$66 MILLION IN INVESTMENTS TO RETAIN AND CREATE JOBS ACROSS NEW YORK STATE

131 new jobs to be created and 2,644 jobs to be retained

Empire State Development Corporation's Board of Directors met today in New York City, where the board approved funding totaling \$5.3 million, pledging to create 131 new jobs and retain 2,644 existing jobs in New York State. The funding will leverage more than \$66 million in investment across the state.

In Fiscal Year 2010–2011, the ESDC Directors approved projects to 265 companies and organizations. These projects totaled more than \$488 million in grants and loans, retained 11,907 jobs and created 5,185 jobs. All grants and loans approved leveraged over \$2.7 billion in investment.

The following were awarded Economic Development Fund funding:

Harris RF Communications Capital – \$4,000,000 (Monroe County)

RF Communications Group ("Harris RF" or the "Company"), a wholly owned subsidiary of Harris Corporation (the "Parent"), started in Rochester in 1960. The company specializes in design and manufacturing of secure radio products, systems and networks. The company purchased and renovated a 573,000-square-foot-building, where it relocated its manufacturing, supply chain, product service, logistics, and engineering operations. The project included asbestos abatement, interior demolition of partitions and new construction of offices, production lines, rest rooms, HVAC and electrical systems, and new truck docks. The company also installed new information technology systems and constructed a supplier village which houses its vendors on site. A grant of up to \$4,000,000 was awarded to Harris RF Communications Capital to be used for a portion of the cost of renovations. Harris RF has vacated the other buildings and relocated half of its Rochester workforce to the newly renovated facility, which will house 1,100 employees. Management functions continue to be located in two other buildings that the Harris RF owns in Rochester. The company will retain 900 other employees in Rochester, for a total of 2,000 retained jobs in the Rochester/Monroe County area, assuring the long-term viability of a major Rochester employer. Total project cost is \$54,700,000.

SolEpoxy Capital – \$400,000 (Cattaraugus County)

SolEpoxy, established in 2010, is a privately owned company formed to acquire three existing product lines of plastic materials and resin manufacturing from Henkel Technologies in Olean, New York. Henkel Technologies, headquartered in Germany, specializes in the development of laundry, home care, cosmetics, and adhesive products. The project involves the acquisition of a 14-acre parcel, machinery and equipment and 300,000 square-feet of fully equipped manufacturing and laboratory R&D space. The company was awarded a grant of up to \$400,000 to be used for a portion of the costs to acquire new machinery and equipment and real estate. The company will manufacture three specialty products including thermoset epoxy molding compounds for rugged electrical components, electrically insulating epoxy powder coatings, and optically clear molding compound for high-end electro-optical applications. In addition, the company is providing manufacturing space, under contract, for Henkel to operate an existing epoxy product line until the end of 2011. The acquisition of the buildings and land, and the purchase of machinery and equipment was completed in September 2010. The company currently employs 45 full-time employees. Total project cost is \$5,202,000.

Buffalo Filter Capital –\$250,000 (Erie County)

Buffalo Filter was originally established in 1991 as a small, privately-owned company manufacturing its own brand of filters and smoke evacuation systems. Since being acquired by Medtek Devices in 1995, it has become an industry leader in the manufacturing of hundreds of OEM, private label, and co-labeled products used for the evacuation and filtration of hazardous smoke plume and/or aerosols generated during electrosurgical and laser procedures. The project involves the acquisition of a 9.47-acre parcel, the construction of a 50,000-square-foot facility, and the acquisition and installation of new machinery and equipment. A grant of up to \$250,000 was awarded to the company to be used for a portion of the cost of construction of a new building. In May 2011, Buffalo Filter relocated its operations from its leased facility in Amherst to the newly-constructed Lancaster facility. The company has already created 6 new jobs. Total project cost is \$5,350,000.

United Biochemicals Capital – \$150,000 (Niagara County)

United Biochemicals, formed in 1996, manufactures, tests, and distributes a limited number of high-quality, value-added products including bio-chemicals, laboratory reagents and solutions for the biotechnology industry. The project involves interior renovations and utility and infrastructure improvements to the existing 43,000-square-foot facility, including retrofitting of existing space, expanded and segregated weighting, formulation, filling rooms, labeling rooms, HVAC upgrades and UPS purified water systems upgrades; the acquisition and installation of machinery and equipment including stainless steel tanks, liquid dispensing machines, clean room laminar flow benches, fluid transfer pumps and in-line testing apparatus; soft costs and working capital. The company was awarded a grant of up to \$150,000 to be used for a portion of the cost of the acquisition and installation of new machinery and equipment. The project is scheduled to be fully operational in August 2011 and is expected to address the process flow, segregation, environmental and industry compliance upgrades. As a result, 31 jobs will be maintained and 22 new jobs will be created. Total project cost is \$1,070,000.

PCB Piezotronics (Erie County) – \$500,000

PCB, established in 1967, is a world leader in the development, manufacturing and marketing of integrated sensors and related instruments. The company, one of the largest privately-held companies in western New York, is headquartered at an 110,000-square-foot facility in Depew and has facilities and subsidiaries located in North Carolina, Utah, California, Washington, Michigan, Germany and France. One of its subsidiaries, PCB Machining Solutions, Inc., employs 52 people at a 24,000-square-foot machine shop in Lackawanna. In early 2010, PCB advised ESD that it had outgrown its Depew manufacturing facility and needed to relocate and consolidate machining functions in Depew and at the subsidiary, PCB Machining Solutions in Lackawanna, to free-up much-needed manufacturing space. A grant of up to \$500,000 was awarded to the company to be used for a portion of the cost of real estate acquisition, and the acquisition and installation of machinery and equipment. As a result, 513 jobs will be retained and 50 new jobs will be created. Total project cost is \$5,000,000.

The following was also approved by the Board:

International Business Machine

The ESDC Board of Directors adopted an amendment to the General Project Plan (“GPP”) for the IBM Headquarters Relocation Project located in Armonk, Town of North Castle, Westchester County. Pursuant to the amendment, IBM will convey to ESD approximately 18.2 acres, inclusive of existing and future buildings, equipment, and personal property, all currently owned by IBM (the “Additional Property”), for inclusion in IBM’s existing main headquarters site in furtherance of the GPP. Simultaneously with the IBM conveyance to ESD, ESD will lease back the Additional Property to IBM. The IBM conveyance and the ESD leaseback would be pursuant to amendments of, but otherwise on the same terms and conditions of, the original agreements between the parties, inclusive of: (i) nominal \$1 conveyance price; (ii) any enhanced “Rent” by IBM paid as PILOT directly to Town of North Castle; (iii) 2018 Lease termination; and (iv) 2018 IBM Purchase Option for nominal \$1 value. The additional property will create a greater security buffer for IBM’s existing main headquarters site, and will provide other facilities incidental or appurtenant to the existing Project.

The next meeting of the Board of Directors will tentatively be held the third week of August 2011, at a location to be announced closer to the time of the event.

The mission of Empire State Development is to promote business investment and growth that leads to job creation and prosperous communities across 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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