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ESD BOARD APPROVES FUNDING FOR PROJECTS THAT WILL LEVERAGE MORE THAN \$64 MILLION IN INVESTMENTS THAT WILL CREATE AND RETAIN OVER 700 JOBS ACROSS NEW YORK STATE

Empire State Development's Board of Directors met today in New York City and approved \$12.4 million in funding for projects that will create more than 80 new jobs and retain 625 existing jobs throughout the Empire State. This funding will leverage over \$64.9 million in additional investments to support business growth and lay the groundwork for future economic growth and job creation.

"This year was not a good one, but a great one for businesses in New York State. The ESD Board today approved a myriad of grants and incentives for projects ranging from manufacturers expanding and creating jobs to improving infrastructure to help area businesses grow and expanding much-needed access to high-speed broadband," said Empire State Development President, CEO & Commissioner Kenneth Adams. "Over the last three years under Governor Cuomo's leadership, ESD has worked with nearly 700 projects, offering more than \$1 billion in grants, loans, tax credits and other incentives in return for their commitments to create or retain more than 180,000 jobs. We have seen businesses rebuild and grow thanks to the support given by the administration and are excited about the new projects and new jobs coming to New York in 2014."

The Board approved the following Regional Council award grants:

The United Group of Companies (Capital Region – Rensselaer County) – \$2,500,000

The United Group of Companies (UGC) is a commercial real estate development company that specializes in concept design, financing, construction supervision, marketing, and management. City Station is a \$42 million multi-phased transformational project connecting historical downtown Troy to Rensselaer Polytechnic Institute through the creation of living accommodations for students and families, amenities and recreational space. As a result of the Governor's Regional Economic Development Council Initiative, UGC was awarded \$2.5 million in funding through Round I of the initiative to construct a garage and green space as components of Phase III of the project known as City Station East. The third phase will contribute to the revitalization of downtown Troy by creating much needed parking and aesthetically pleasing surroundings for visitors and residents. The project was completed in August 2013.

St. Lawrence IDA (North County Region – St. Lawrence, Jefferson, Lewis Counties) – \$1,300,000

A priority project of the North Country Regional Economic Development Council (NCREDC), the St. Lawrence County IDA, which provides economic development assistance for St. Lawrence County, will perform preconstruction Phase 1 line clearing and engineering evaluation needed to rehabilitate 46 miles of railroad track on the Newton Falls railroad line. The IDA will use an ESD grant of up to \$1.3 million for a portion of the costs of the railroad track rehabilitation.

Phase 1 of the project is now complete and the 46 mile section of the Newton Falls railroad line has been cleared of overgrowth, debris, and obstructions. The railroad has been inspected and evaluated for reopening, and engineering plans and specifications have been prepared for Phase 2 of the rail line rehabilitation. The rehabilitation and reopening of the entire Newton Falls railroad line is fundamental to the ongoing employment, and commercial transportation needs of current and future users to further the economic growth in St. Lawrence, Jefferson and Lewis Counties. This rail line provides the North Country Region with inbound and outbound rail service connections to the nationwide rail systems. Moreover, this project provides the opportunity for expansion of North Country industry and manufacturing which leads to increased economic activity and job creation.

Gloversville-Johnstown Wastewater Treatment Facility (Mohawk Valley Region – Fulton County) – \$1,000,000

The Gloversville-Johnstown Wastewater Treatment Facility (GJJWTF), a municipal organization that treats all wastewater generated by the residents of the cities of Gloversville and Johnstown (approximately 25,000 people), twenty-four industries, and approximately 100 users outside the corporate limits of the two cities, will use a grant of up to \$1 million for a portion of the cost of machinery and equipment to construct and install sewer piping, an equalization tank, process tanks, and pumps to accommodate the expansion of FAGE USA Dairy (FAGE) and other future development. Due to the expansion of FAGE, a yogurt manufacturing company in Fulton County, upgrades to the wastewater system are needed. The wastewater facility and piping, which is over 40 years old, are not equipped to handle the increase in high strength wastewater discharge from the yogurt manufacturing process.

As a result of the Governor's Regional Economic Development Council Initiative, GJJWTF was awarded \$1 million to assist with this important infrastructure project. The \$7.2 million project, scheduled to be completed in 2014, will assist the GJJWTF to expand its capabilities to handle the additional volume. Without wastewater improvements, the \$150 million FAGE manufacturing expansion project, as well as future development, would not be feasible. The project will create construction jobs and approximately 150 manufacturing jobs at FAGE. The local agricultural community will also benefit from the significant quantities of milk generated by dairy farms to supply yogurt production. The upgraded wastewater system will also allow Gloversville and Johnstown to attract additional companies to the area.

East State Street Reconstruction (Western New York Region – Cattaraugus County) – \$500,000

A Priority Project of the Western New York Regional Economic Development Council and aligns with its plans to promote downtown revitalization and sustainability, and smart growth, the

City of Olean will use a grant of up to \$500,000 for a portion of the costs associated with the East State Street Reconstruction project. The project, which was administered by Olean's Department of Public Works and completed in June 2013, included the design and reconstruction of the Street – including a half mile of road deconstruction; new storm water and sanitary line piping; gravel base covered with asphalt overlay; concrete curbs, gutters and sidewalks; and traffic striping. The completed project will result in increased public safety; improved access to jobs, services and downtown which will ultimately increase economic development efforts; help reduce costly street maintenance and associated disruptions; and improve an existing infrastructure rather than support sprawl. The City has already experienced a slight boost in economic development with the recent announcement that a developer has purchased an 8-acre site on the Street with plans to construct a 38,000-square-foot family entertainment and recreation complex.

Long Island Farm Bureau Member Services (Long Island Region – Suffolk County) – \$500,000

Long Island Farm Bureau Member Services (LIFBMS), a subsidiary of the Long Island Farm Bureau that is responsible for the administration of grant funded projects, will use a grant of up to \$500,000 to plan, manage and subsidize farmers' lease expenses at a 30,000 square-foot food processing facility. The Bureau, led by a coalition of farmers, nonprofits, and municipalities, developed the idea of establishing an agricultural park closer to the farm operations located on the eastern end of Long Island. Working with John King of John Kings Food Service Company located in Calverton, NY, a plan was established for a cold storage and processing facility to help farmers access the growing market for local produce, wines and seafood. As part of the pilot project, the Bureau entered into a three year agreement with John Kings Food Services Company to lease space at the Agricultural Enterprise Park situated at the eastern end of Long Island. The Bureau will utilize ESD's grant to subsidize space for agricultural operations (farmers, wineries, fisheries and others agricultural related ventures) to store and process products at the facility in Calverton.

Currently, there are nine operations at the facility including Martha Clara Vineyards, Waters Crest Winery, Jameport Vineyards, Baiting Hollow Farm Vineyard, and Roanoke Vineyard. In addition, two farmers (Wells Homestead Acres and Surrey Land) and a greenhouse operation (Kawasaki Greenhouses) are using the facility. The new facility also includes a processing section to process farmer's products into saleable products for retail outlet. As a result of the project, farmers and related businesses on the eastern end of Long Island will have a more convenient storage and processing facility for its products. The full project is anticipated to be completed in early 2017.

Sunrise Family Farms (Southern Tier Region – Chenango County) – \$275,000

Sunrise Family Farms, a company that manufactures a variety of dairy products including frozen yogurt and smoothie base as well as Greek-style yogurt, will use a grant of up to \$275,000 for a portion of the cost of the purchase of machinery and equipment as part of a project including facility renovations and the development of a new dairy processing plant. Due to a rapid increase in sales and product demand, Sunrise outgrew its existing facility. The company requested ESD assistance to establish a second manufacturing location and to purchase

machinery and equipment. ESD's assistance will enable the company to expand at a rate compatible to current and future demand.

The project was completed in September 2013 and Sunrise has acquired, renovated, and equipped a 25,000-square-foot vacant manufacturing building in Greene which will increase production. The new facility will support growing customer demand for yogurt products and enable Sunrise to manufacture additional private label production which they had previously been unable to do. As a result of the additional facility, the company expects to be able to double its manufacturing capability as sales and demand continue to increase. Sunrise will retain 35 existing jobs and has already created 17 new jobs, exceeding its job creation goal.

S. Howes (Western New York Region – Chautauqua County) – \$150,000

S. Howes, Inc., a family-owned company that manufactures custom-made industrial machinery and replacement parts for solids processing and liquid/solid separation, will use a grant of up to \$150,000 as reimbursement for a portion of the costs related to the purchase and installation of machinery and equipment as part of a business expansion involving job creation and retention. In early 2012, S. Howes notified ESD of its need to expand its existing product lines to accommodate expected production increases and to remain competitive within the industry. The company was considering expanding its Silver Creek location or relocating to Erie, Pennsylvania. ESD's offer of a \$150,000 grant resulted in the decision to invest in the expansion of its current facility; and without assistance from ESD, S. Howe would have likely relocated to Erie, Pennsylvania to remain competitive. The \$1.2 million project involves expansion of an existing 34,658-square-foot facility by 7,921-square-feet and acquisition and installation of new machinery and equipment, including a 30-ton crane to increase production efficiencies. The project will retain 20 existing jobs and create 8 new jobs by January, 1, 2015. S. Howe has already created 6 new jobs.

North Country Pastured, LLC (North Country Region – St. Lawrence County) – \$130,000

A priority project for the North Country Regional Economic Development Council in 2011, North Country Pastured, LLC, a start-up company that provides a service which enables poultry producers to sell USDA processed fresh poultry to markets, will use a grant of up to \$130,000 for part of the cost of mobile equipment to process local poultry and construction of an equipment storage building. As part of the Governor's Regional Council Initiative, North Country Pastured requested ESD assistance to help finance its new start up business to providing a mobile poultry processing service. The start up operations of this new food processing business would not be possible without ESD assistance.

North Country Pastured has purchased a mobile poultry processing unit and a truck to tow the unit, and has constructed a vehicle storage building. The project is complete and the company has obtained the required USDA certification to provide the mobile poultry processing service. This service is available to local poultry producers at their farm locations in the North Country. North Country Pastured has already created three of the four new jobs to which it has committed.

The Board approved the following Empire State Economic Development Fund grants:

Trudeau Institute (North Country Region – Franklin County) – \$5,000,000

The Trudeau Institute, a world-renowned center for immunological research in Saranac Lake, will use a grant of up to \$5 million for a portion of the costs of ongoing programs, operations, and staffing at Trudeau biomedical research laboratories. The Institute will continue to operate and expand its research laboratory to conduct biomedical research in New York State including aging, cancer, influenza, pneumonia, tuberculosis, acquired immune deficiency syndrome, and Lyme disease. Trudeau will also expand its existing contract research capabilities for pharmaceutical, biotechnology and biomedical engineering companies, leveraging its expertise and world-class experimental animal facilities and unique CDC-certified laboratories for investigating immunity to Select Agent pathogens for biodefense. This multi-year project, in conjunction with partnerships with Clarkson University and the State, will move the Trudeau Institute closer to its broader vision of developing a biotechnology cluster in the North Country. The Institute and Clarkson will establish and coordinate scientific research and expand education and technology-based economic development. Trudeau and Clarkson will also put in place the faculty, facilities, and educational programs to make this cluster self-sustaining and diversify and develop other funding and business opportunities to sustain a new business model for future operations.

Swarovski Lighting, Ltd. (North Country Region – Clinton County) – \$450,000

Swarovski Lighting, Ltd., a leading designer and manufacturer of high-end and custom crystal chandeliers and lighting fixtures, will use a grant of up to \$450,000 for a portion of the cost of the purchase of machinery and equipment as part of a \$3.4 million expansion project. The company has completed renovations to a 200,000-square-foot building in Plattsburgh, purchased and installed new machinery and equipment, and completed employee training to increase production efficiency and manufacturing productivity. Facility renovations included safety, infrastructure and layout improvements to the building in which the manufacturing, engineering, marketing, sales and administrative functions reside; and the new machinery and equipment was installed to upgrade technology in key areas, such as product design, operations and manufacturing. Swarovski also invested in product certification, a necessity for selling new cutting edge products that fall outside the parameters of previously certified product families (e.g. LED lights and dimmers) – such products require their own unique certification from authorized agencies and must meet the certification requirements of any country in which the product will be sold.

Swarovski Lighting has exceeded its employment commitment of retaining 325 jobs and currently employs 345 full-time individuals at the project location. The project has also resulted in a 20 percent increase in international sales and has significantly reduced product development time to the point that the company can begin manufacturing within 60 days of introducing a new product to the market.

Comfortex (Capital Region – Albany County) – \$400,000

Comfortex, a company that manufactures and fabricates custom window treatments, will use a convertible loan of up to \$400,000 to assist with the costs associated with renovating its facilities and installing five new Individualized Production on Demand manufacturing lines at its Maplewood plant as part of an expansion project involving job creation and retention. The company approached ESD because its parent company, Hunter Douglas, was in the final stages of transferring all manufacturing operations to plants in Colorado and Arizona. The transfer put 200 jobs at risk of being lost in New York State. In an effort to keep these jobs in New York, the company's Research and Development staff proposed a new, more efficient method to manufacturing to its parent company, but it required a significant investment. Without ESD support, it is likely that the project would not have happened in New York State.

Comfortex has completed the renovation of its 104,000-square-foot manufacturing facility and acquired machinery and equipment to accommodate Individual Production on Demand manufacturing lines at the Maplewood Plant. The company has begun its Individual Production on Demand, retained 200 jobs and already created 120 jobs, exceeding its job creation goal.

Bread Alone (Mid-Hudson Region – Ulster County) – \$ 240,000

Bread Alone, an organic, artisan bakery that produces a variety of hearth-baked breads and rolls, cakes and pastries, and other bakery products such as granola, will use a grant of up to \$240,000 for a portion of the cost of real estate acquisition as part of a business expansion project involving job creation and retention. Bread Alone currently operates three retail locations in Boiceville, Woodstock, and Rhinebeck, New York and their products are available at farmers' market stands and stores throughout the tri-state area. The company recently experienced an increase in productivity and planned to expand its operations to a new facility in either New York or New Jersey. In 2011, the company applied for ESD assistance to close a financing gap and ESD offered a \$240,000 grant to encourage Bread Alone to continue to grow in New York State and create and retain jobs in the Mid-Hudson Region.

Bread Alone began planning its expansion in June 2011 and purchased the building for the new bakery in Lake Katrine in October 2012. Architectural planning, fund raising, and equipment purchases happened in tandem with the building purchase and renovations began in December 2012 with commercial production in the new bakery beginning in October 2013. In the Spring of 2014 Bread Alone plans to open a retail store in Lake Katrine, which will be the company's fourth retail location. As a result of this project, Bread Alone will retain 45 existing jobs and create 17 new jobs.

The Board approved the following New York State Broadband grants:

- Open Access Fiber Network (Yates County) – \$2,407,049
- Clarity Connect, Inc. – Tompkins and Cayuga Ubiquitous Last Mile Coverage (Various Counties) – \$2,216,000
- Slic Network Solutions, Inc. – Schroon Lake Next Generation Broadband (Essex County) – \$2,162,656
- New Visions Communications – Parish Broadband (Oswego County) – \$1,999,584

- MTC Cable – MTC Broadband Build Out (Various Counties) – \$1,800,000
- Slic Network Solutions, Inc. – Belmont North Next Generation Broadband (Franklin County) – \$1,012,366
- Slic Network Solutions, Inc. – Lyon Mountain Broadband (Clinton County) – \$976,426
- Southern Tier West Development Foundation – Southern Tier Broadband (Various Counties) – \$672,452
- Slic Network Solutions, Inc. – Long Lake Next Generation Broadband (Hamilton County) – \$1,370,306

Together, these nine projects will deliver broadband services to 29,117 households, 2,052 businesses, and 236 community anchor institutions, and will provide 614 miles of new fiber. Most of the grant funding will be for the “last-mile” of broadband service, which means the projects will provide high speed Internet connections directly to New Yorkers. The last-mile is the most expensive portion of a broadband network, and often prevents many rural residents from receiving broadband service, even when service is available to nearby homes.

The next meeting of the ESD Board of Directors will be held in January 2014.

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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