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Contact:

ESD Press Office | pressoffice@esd.ny.gov | (800) 260-7313

ESD BOARD APPROVES FUNDING FOR PROJECTS THAT WILL LEVERAGE MORE THAN \$670 MILLION IN INVESTMENTS THAT WILL CREATE AND RETAIN OVER 3,800 JOBS ACROSS NEW YORK STATE

Empire State Development's Board of Directors met today in New York City and approved \$40,142,296 in funding for projects that will create more than 1,430 new jobs and retain over 2,350 jobs throughout the Empire State. This funding will leverage over \$674 million in additional investments to support business growth and lay the groundwork for future economic growth and job creation.

"From Buffalo to Utica, down through the Hudson Valley and out to the east end of Long Island, the State is supporting key economic development projects that are creating new jobs for New Yorkers and helping grow our regional and state economies," said Empire State Development President, CEO & Commissioner Kenneth Adams. "Under Governor Cuomo's leadership, ESD continues to be busier than ever helping existing companies expand and attracting new businesses to the state. The funds approved by the Board today are supporting key industries like the rapidly growing film and post-production industries, advanced manufacturing, and nanotechnology; as well as helping to implement regional strategies for economic growth, including boosting tourism and supporting our small business assistance centers. As we near the end of this year, we expect a strong conclusion to 2013 and anticipate an even busier 2014 as more companies learn that there is no better place to do business than the Empire State."

The Board approved the following Buffalo Regional Innovation Cluster grant:

Empire Visual Effects (Western New York Region – Erie County) – \$2,500,000

Empire Visual was established in 2013 through a partnership between IBC Digital, a Buffalo production company specializing in commercials, animation and visual effects, and Sixteen19, a global production services company based in New York City specializing in digitally acquired productions. A privately owned company, Empire Visual has partnered with and is acting as a special advisor to Daemen College. Together, they are creating a world class VFX hub to transform Upstate and Western New York into a major film, animation, and post production destination for the media industry. In July 2013, Governor Cuomo pledged to invest \$4.5 million of Buffalo Billion funds to establish the VFX hub and create Daemen College's Training Program and Empire Visual's VFX studios, filling the funding gap and enabling the project to go forward. Empire Visual was awarded a grant of up to \$2,500,000 to be used as reimbursement for a portion of capital expenditures including furniture, fixtures, equipment, Information Technology IT infrastructure, and interior renovations. The project will create 150 new jobs in the post-production industry by January 1, 2019. It is anticipated that many of Empire Visual's employees will be graduates of the Daemen College Training Program.

Daemen College (Western New York Region – Erie County) – \$1,983,949

Daemen College in Buffalo, a private four-year college offering undergraduate and graduate degrees and certificates for programs, is establishing a new post-production visual effects (VFX) hub in Western New York. The College will use a grant of up to \$1,983,949 for a portion of hardware, software, screening room, and furnishing expenditures as Daemen upgrades its facilities to accommodate a new training program.

Due to the demand for visual effects, the post-production portion of film budgets has been increasing dramatically over the last several years. In New York State alone, the motion picture and television industry is responsible for over 91,000 direct jobs and \$8.2 billion in wages annually for production and distribution-related jobs. Over the last eighteen months, Governor Cuomo has strengthened incentives to attract postproduction film and television activity to New York State, specifically with the New York State Film Production Tax Credit Program, which increases the percentage of tax credits available for projects that did not film in New York but will now qualify for credits for post-production work done in New York

Daemen has already completed a pilot Training Program, with three students graduating on October 15, 2013. The current semester has 15 students, with graduation scheduled for January 2014. While Daemen does not have a job commitment associated with its project, its VFX hub partner, Empire Visual, will create 150 new jobs in the post-production industry by January 1, 2019. By January 2014, Empire Visual expects to be operational and employ 25 people, of which 15-18 are expected to be graduates of the Training Program.

The Board approved the following Downstate Revitalization Fund grant:

Walkway Over the Hudson (Mid-Hudson Region – Dutchess County) – \$2,250,000

Walkway Over the Hudson, a not-for-profit group that works to support and improve Walkway Over the Hudson Historic Park by building new amenities and developing programs that help this unique attraction reach its full potential, will use a grant of up to \$2,250,000 to be used for a portion of the cost of construction for an adaptive reuse project. The project, which consists of infrastructure improvements, rehabilitation, and new construction to renovate a former railroad bridge into a publicly accessible tourist attraction, is transforming an abandoned railroad structure into a world class tourism and recreational destination.

The Walkway Over the Hudson organization has renovated the bridge into Walkway Over the Hudson, which is the world's longest elevated pedestrian park and a world class tourist destination. The project involved the undertaking of 3 phases in order to transform the abandoned railroad bridge into a tourism and recreational mecca. The first phase was completed in October 2009 and entailed demolition, underwater pier repairs and new construction to allow the park to be opened to the public. The second phase is anticipated to be complete in December 2013 and entails the construction of an elevator to rise 212 feet and provide visitors with much improved access to the center of the bridge span from the waterfront parks that are located below the bridge. In addition, the elevator will allow for handicap access and will improve access to the project from the nearby Metro-North Poughkeepsie train station.

The third phase is anticipated to be complete in June 2015 and entails the construction of a visitor center. Walkway Over the Hudson had approximately 500,000 visitors in 2012, which was double the anticipated amount, and expects annual visitation to increase even further as the elevator and visitor center are completed.

The Board approved the following Economic Development Purposes Fund grant:

Welded Tube (Western New York Region – Erie County) – \$3,000,000

Welded Tube was established in 2012 as a wholly-owned subsidiary of Welded Tube of Canada Corp. to launch a U.S. operation. The parent corporation, founded in 1970 in Ontario, Canada, produces approximately 350,000 tons of tubular products annually including American Petroleum Institute-certified oil country tubular goods from its Canadian facilities. In 2012, the parent company – which employees more than 600 people at its five North American manufacturing locations – decided that it needed to expand in order to stay competitive in their field and started scouting locations, including sites in Buffalo and Alabama and Ontario, Canada. ESD provided an Incentive Proposal to the a \$3 million loan and \$2 million in Excelsior Jobs Program tax credits, resulting in the decision to proceed with the construction of the \$48 million facility in Erie County.

The project, which began in 2012, involved the acquisition of 45 acres of vacant industrial land on a portion of the former Bethlehem Steel site; construction of a 109,000-square-foot, single-story engineered steel building to house the production line; and acquisition and installation of new machinery and equipment necessary to establish a U.S. steel pipe manufacturing mill. The Company is expected to produce 100,000-150,000 tons of steel pipe per shift, which will be shipped to the Parent's Welland, Ontario facility for finishing. The project was to create 25 new jobs by September 2013, restoring manufacturing jobs to a highly-distressed area. The company has already has created 33 jobs and plans to create approximately 20 more jobs within the next year. Moreover, the project promotes Smart Growth by converting a former Brownfield site with existing infrastructure in the City of Lackawanna to a state-of-the art manufacturing facility.

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

PepsiCo Bottling Division (Mid-Hudson Region – Westchester County) – \$4,000,000

PepsiCo, Inc., the global beverage and snack company, will use a grant of up to \$4 million for a portion of the cost of renovation and the purchase of machinery and equipment as part of its beverage unit headquarters' expansion project involving job retention and creation. The \$12.6 million expansion project involves the renewal of the company's lease at the headquarters facility in Somers and capital improvements to facilitate a more efficient work space. The scope of work includes architectural, construction and infrastructure services, electrical and plumbing, HVAC and audio visual equipment, cabinets, furniture and new workstations. PepsiCo's beverage unit has retained 907 existing jobs and already created 328 new jobs, far exceeding its commitment to create 22 new jobs.

Entrepreneurial Assistance Program – Statewide (Training and Technical Assistance Grants) – \$1,558,347

Encouraging the formation and growth of small businesses is an important strategic goal of New York State. There are currently twenty-four Entrepreneurial Assistance Program (EAP) Centers located throughout New York State providing comprehensive assistance in enterprise development to owners and prospective owners of small businesses, with a particular interest in serving minority group members, women, dislocated workers, and individuals with special needs. Effective EAP programs provide intensive, community-based training, technical assistance and other related services to small business owners or entrepreneurs, particularly minorities and women, to stimulate new business development and to strengthen businesses in the early stages of development (1 – 5 years). Such assistance is especially important in economically distressed areas where high levels of unemployment and declining infrastructure further limit the ability for these young businesses to develop.

The 2013-14 New York State budget included additional funding for EAP Centers, 21 of which are receiving approval for funding from the ESD board today. The Centers will use allocated funds for expenses related to training and technical assistance; operating expenses including, but not limited to, salaries of EAP coordinators and additional support staff; promotional and marketing materials; travel; classroom materials, and supplies. EAP Centers are required to provide reports relating to their specific achievements during the contract period. In addition, financial reports and documentation of expenditures will be required for disbursement of funds. ESD will verify that each Center is in compliance with Program regulations and guidelines and is following all existing contractual arrangements by reviewing, verifying and approving the required documentation, including financial reports and payment requests.

Since the collection of data began in 1990, the Program has provided services to more than 27,608 clients who have started, retained or expanded over 16,142 businesses, increased sales by \$278.7 million, secured \$137.6 million in financing, increased employment by 16,638 individuals including the 5,307 jobs created for new business owners.

For the full list of EAP Centers, please visit

http://esd.ny.gov/PublicMeetings_Notices/ESD/11182013_ESDBoardMaterials2.pdf (information begins on page 505).

Metal Container (Mid-Hudson Region – Orange County) – \$1,000,000

Metal Container Corporation (MCC), a company that specializes in the production of aluminum cans primarily for beer and soft drinks as well as decorative cans with logos, will use a grant of up to \$1 million for a portion of the cost of purchase and installation of machinery and equipment as part of a business expansion project involving job retention. The company has invested \$65 million to develop and install an internally developed technology and can manufacturing process, as well as new equipment including washers, can sprayers, conveyer belts, cuppers, and body makers. By replacing the current line with the specialty line capable of producing an additional 500 million specialty/novelty cans, MCC has been able to expand production in the New York plant to 3.6 billion cans per year, a 16% increase over prior capacity of 3.1 billion cans per year. The construction started in January 2012 and the facility is expected to be operational by the end of 2013. This project will retain 173 Full-time Permanent jobs in New Windsor, New York.

Rochester Precision Optics (Finger Lakes Region – Monroe County) – \$750,000

Rochester Precision Optics, LLC (RPO), a producer of precision glass molded proprietary lenses, traditional ground and polished optical lenses, optical assemblies, thin film coating, diamond-turned parts and other optical products, will use a grant of up to \$750,000 for a portion of the cost of the construction and renovations as part of a business expansion involving job retention and creation. The company has invested nearly \$7 million to expand its 64,500-square-foot building by 42,824 SF and to renovate 5,112 SF of existing space. To date, RPO has also purchased over \$3.2 million in new machinery and equipment. The construction portion of the project began in July 2011 and was completed November 2012. Expansion of its facilities has allowed RPO to increase production in many departments that had become bottlenecks due to space constraints. As a result of the project, RPO will retain 144 existing jobs and create 151 new jobs, and has already created 27 new jobs.

The Board approved the following JOBS Now Program grant:

Canon USA (Long Island Region – Suffolk County) – \$3,500,000

Canon U.S.A., Inc. (CUSA), a leading provider of consumer, business-to-business, and industrial digital imaging solutions, will use a grant of up to \$3,500,000 for a portion of the cost of land acquisition and construction costs as part of a business relocation and expansion project including job retention and creation. Canon completed construction of a new facility in Melville, New York to serve as CUSA's North and South American headquarters. The facility will showcase CUSA's high-tech products as well as provide in-house technical solutions for software and hardware applications. The 52 acre campus consists of a 696,000-square-foot office building, and two 84,000-square-foot multi-level parking garages. The project includes the acquisition of real property, construction of a new office building/campus and the acquisition of machinery and equipment to be utilized within the newly constructed facility. The project will retain 1,110 existing jobs and create 750 new jobs. Canon has already created over 300 jobs.

The Board approved the following Regional Council award grants:

Fort Schuyler Management Corporation – Marcy (Mohawk Valley Region – Oneida County) – \$15,000,000

Fort Schuyler Management Corporation (FSMC), which was formed by the State University of New York Research Foundation (RF) in partnership with the State University of New York Institute of Technology (SUNYIT) and has a ground lease for the Marcy Technology Complex from SUNY to establish public-private partnerships in support of SUNYIT's research, educational and economic development activities, will use a grant of up to \$15 million for a portion of the cost of construction of the first phase of the Computer Chip Commercialization Center (Quad C) adjacent to the SUNYIT campus in Marcy, Oneida County. FSMC is authorized to purchase, construct, develop and manage facilities co-located with the SUNYIT educational campus at the SUNYIT Marcy Technology Complex as well as ground sub-lease the property west of Edic Road constituting the Marcy NanoCenter project to Mohawk Valley Economic Development Growth Enterprises (EDGE) for attraction of nanomanufacturing operations by a commercial partner. FSMC advances the growth of emerging nanotechnology and semiconductor research and development cluster in New York that includes the College of Nanoscale Science and Engineering (CNSE) at the University at Albany.

The project involves the construction of the building envelope and non-clean room areas of the Quad C (Phase I), a 253,000-square-foot facility that will contain flex space, clean rooms, laboratories, offices, a lecture center and related utilities. Quad C will enable the attraction of high-tech partners who, in turn, will work to develop and commercialize advanced nanoscale semiconductor products and solutions. Design of Quad C was completed in March 2013 and construction started in June 2013 with completion of Phase I anticipated by December 2014. The Quad C will be constructed, owned, and operated by FSMC at SUNYIT to act as the focal point for the assembly and integration of the system-on-a-chip (SOC) being developed at CNSE by housing a state-of-the-art office and clean room "business incubator/technology accelerator". Quad C will enable the attraction of high tech partners seeking to integrate and commercialize SOC devices and products, in partnership with global computer chip equipment, material, and chemical suppliers and contractors. Quad C will serve as a magnet to attract global computer chip equipment, material, and chemical suppliers and contractors to Upstate New York.

SGRID3 (Long Island Region – Suffolk County) – \$2,050,000

Brookhaven Science Associates, LLC, which manages and operates Brookhaven National Laboratory (BNL), a multipurpose research institution with expertise and world-class facilities that help explore scientific questions from the fundamental forces of nature to the complex interactions of ecosystems and the environment, will use a grant of up to \$2,050,000 for a portion of the cost of planning, design

and implementation of demonstration projects in two new facilities. The SGRID3 collaboration between Brookhaven National Laboratory and Stony Brook University (SBU) focused on the development, demonstration and deployment of new Smart Grid technologies as an extraordinary new means to save energy, reduce the region's carbon footprint and reduce costs to commercial, industrial and residential energy consumers. The SGRID3 project will include planning and a conceptual design for a new Advanced Electric Grid Innovation and Support (AEGIS) Center at BNL and planning and conceptual design for a new Smart Grid Innovation Center (SGIC) at SBU. In addition, various electric grid demonstration projects will be performed at both BNL and SBU. Both BNL and Stony Brook have environmentally preferred procurement programs to maximize the utilization of recycled materials in new construction.

The project will create an infrastructure for development and testing of new technologies and equipment. The success of the project will help to develop capabilities to advance future utility investments in the electrical transmission and distribution systems in New York State. Each facility will be LEED Platinum which will drive recyclable materials and use of renewable energy.

Community Tourism Transformation Fund (North Country Region – Jefferson, Lewis, St. Lawrence, Essex, Franklin, Hamilton Clinton Counties) – \$2,000,000

The Development Authority of the North Country (DANC), a New York State public benefit corporation that provides management, services and financing assistance in the North Country for regional economic development, will use a grant of up to \$2 million to establish a revolving loan fund to develop tourism facilities in the North Country Region. DANC will establish and manage the “Community Tourism Transformation Fund” as a regional revolving loan program. This fund is available for new and existing business entities to apply for funding to develop tourism infrastructure, including lodging, restaurants, retail, recreation, arts and cultural venues. The Community Tourism Transformation Fund will advance projects that increase the quantity and quality of lodging, hospitality and tourism related facilities. This will enhance the quality of life, provide affordable recreation, attract visitors, and attract additional private investment.

Digital Film Conversion Fund (Jefferson, Lewis, St. Lawrence, Essex, Franklin, Hamilton, Clinton Counties) – \$400,000

The Development Authority of the North Country (DANC), a New York State public benefit corporation that provides management, services and financing assistance in the North Country for regional economic development, will use a grant of up to \$400,000 to establish a revolving loan fund for North Country movie theaters to purchase digital film projection equipment. DANC will establish and manage the “Digital Film Conversion Fund” as a regional revolving loan program. This fund will assist North Country movie theater owners with the purchase of digital film projection equipment. The Digital Film Conversion Fund will enable movie theaters to continue to operate and show movies in North Country communities by providing a source to finance the conversion of film projection equipment from film to digital formats. This loan program will assist in the economic development of the entire North Country Region with increased economic activity from modern entertainment facilities.

Quorum Group/Takeform (Finger Lakes Region – Orleans County) – \$150,000

Quorum Group, LLC d/b/a Takeform, a manufacturer of graphic design products including signage, dimensional letters and logos, informational kiosks, donor recognition displays, interior accessory products, message boards, and wall organizers, will use a grant of up to \$150,000 to for a portion of building purchase and renovation costs and the purchase of machinery and equipment as part of a facility expansion and machinery and equipment acquisition involving job retention and creation.

Takeform purchased a one-story, 30,000 square-foot building previously used by an electronics manufacturer, which is more than twice as large as its previous facility. Takeform demolished walls and renovated approximately 10,000 square feet for a new open office environment, renovated offices, and added new equipment. Additionally, the company installed a new state-of-the-art paint booth, added a dust collection system, and improved overall manufacturing work flow with a new layout. The project began in May 2013 and was completed in October 2013, when the company moved into its new building. The project also included the relocation of production to Medina of a line of exterior signage previously produced by an outside vendor in Wisconsin. The project will result in the addition of 33 jobs, which are vitally important to the rural Orleans County area where the company is located.

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

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