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ESD BOARD APPROVES \$5.6 MILLION FOR PROJECTS THAT ARE CREATING ECONOMIC OPPORTUNITIES ACROSS NEW YORK STATE

Empire State Development's Board of Directors met today in New York City and approved \$5.6 million in funding for projects that will create and retain more than 430 jobs throughout the Empire State, including the Western NY, Southern Tier, Mohawk Valley, North Country, New York City and Long Island regions. This funding will leverage over \$6.5 million in private and additional public investments to support expanding businesses and lay the groundwork for future economic growth and job creation in the medical research, manufacturing and tourism industries.

"The strategic investments we're making at Empire State Development are creating jobs and supporting major economic development projects across New York State, leading to a stronger economy and more economic opportunities for New Yorkers," said Empire State Development President, CEO and Commissioner Kenneth Adams. "The funding approved today will ensure that thriving industries such as tourism, agricultural production, manufacturing, and biomedical engineering continue to bring their business, and jobs, to New York State."

The Board has approved the following Empire State Economic Development Fund grant:

Steinway Musical Instruments, Inc. (New York City Region – Queens County) – \$350,000

Steinway Musical Instruments, Inc., a luxury piano manufacturer dedicated to producing the finest pianos in the world, will use a grant of up to \$350,000 for a portion of the cost of new machinery and equipment the company acquired to support a new polyester finishing process line for the manufacturing of new pianos.

Steinway has been located in New York State since 1853, when it opened its first manufacturing warehouse in Lower Manhattan. It moved to its current headquarters in Astoria, Queens, in 1876. In an effort to improve the quality of the lacquer finish of its pianos, the company decided to implement a similar polyester finishing process used in its Germany facility to improve its instruments manufactured in New York. Before moving forward with this new concept, the company considered relocating the finishing process to its Germany facility to reduce operating costs. To encourage Steinway to proceed with the project in New York State, ESD made an offer of a \$350,000 capital grant, without which Steinway's exposure to rising

costs would increase significantly. This project has retained 372 existing jobs and created 20 new jobs in its New York facility.

The Board approved the following Regional Economic Development Council (REDC) grants:

Southern Tier Region Economic Development Corporation (Southern Tier Region – Multiple Counties) – \$2,125,000

The Southern Tier Region Economic Development Corporation, (STREDC) a not-for-profit local development organization that manages revolving loan and grant funds and provides financial and technical assistance for start-up and expanding businesses in the Southern Tier Region, will use a grant of up to \$2,125,000 to fund a regional grant program to provide the health care industry with financial resources to enhance health care in rural areas.

STREDC will administer the regional grant fund program to provide the health care industry and educational institutions with financial resources to purchase tele-health systems, equipment, software, mobile audio/video devices and vehicles. Equipment purchases will be used to enhance health care in rural areas directly by allowing physicians from large medical centers remote access, and indirectly by creating health care partnerships to research mobile technology.

The program will assist healthcare-oriented businesses and other organizations in securing equipment and devices that might otherwise not be available while improving healthcare delivery in rural areas. Businesses and organizations utilizing these funds will have the ability to identify their own priorities and structure projects to support unique local needs in targeted areas. Of the eight counties in the Southern Tier Region, four are ranked amongst the unhealthiest counties in the State, and the program will greatly improve rural access to healthcare.

Utica Memorial Auditorium (Mohawk Valley Region – Oneida County) – \$1,950,000

The Upper Mohawk Valley Memorial Auditorium Authority, a New York State public authority formed in 1993 for the transfer of ownership of the Utica Memorial Auditorium from the City of Utica, will use grants of up to \$1,950,000 to be used for a portion of the cost of façade work, construction, and renovations to the Auditorium.

The UMA was built by the City of Utica in 1959 on land donated by New York State on the site of the old Erie Canal. The UMA was a state-of-the-art facility and one of the first structures in the world with a cable supported roof. The innovative cable-roof design would receive recognition by the American Society of Engineers as a civil engineering landmark.

Currently, the UMA is a premiere entertainment venue that features concerts, sporting events, family shows, and local, state, and national programming to the residents of Mohawk Valley and visitors to the region. After 50 years of service to Oneida County residents, the Utica Memorial Auditorium is undergoing much needed renovations, which could not have proceeded without ESD's assistance.

ASP Partners (Western New York Region – Cattaraugus County) – \$420,000

ASP Partners, LLC, a lodging development and management company, will use a grant of up to \$420,000 for the reimbursement of a portion of the costs for the construction of new lodging amenities at Allegany State Park in Salamanca, Cattaraugus County. ASP was established in February 2012 as the entity to respond to a Request for Proposal issued by the NYS Department of Parks Recreation and Historical Preservation (OPRHP) to upgrade and further develop Allegany State Park.

Allegany State Park is 65,000 acres and is the largest park in New York State, attracting 1.5 million visitors annually and accounting for over 10% of WNY's tourism visits. The Park offers camping experiences, hiking trails, an amphitheater, picnicking and playground amenities, and a park museum. The Park's extensive grounds include over 300 campsites and over 350 cabins available for rent. The Park issued an RFP in September 2011 for the construction of 28 higher-end, fully equipped cabins to meet current visitor demand.

This is a priority project for the Western New York REDC and is aligned with the Council's regional plan, which focuses on defining strategies for promoting tourism, attracting young adults to the WNY area, and increasing employment.

Masonic Medical Research Laboratory (Mohawk Valley Region – Oneida County) – \$300,000

The Masonic Medical Research Laboratory (MMRL), an internationally recognized biomedical research institute, will use a grant of up to \$300,000 for a portion of the cost of purchasing the necessary machinery and equipment needed to establish a new Organ Bioengineering Program at the Stem Cell Center of its Cardiac Research Institute, to explore alternative therapies for end-stage heart failure.

The Cardiac Research Institute at Masonic Medical Research Laboratory was established in 1958, and all of its facilities are located in Utica, NY. For over 50 years, the MMRL has made many medical discoveries and won numerous awards. Currently, the MMRL has 33 employees and focuses on new treatments and cures for heart disease through several different research programs including Molecular Genetics, Molecular Biology, Electrophysiology, Stem Cell, and Organ and Tissue Bioengineering. The research that emanates from the MMRL is international in scope and benefit.

The project is consistent with the Mohawk Valley Regional Economic Development Council Strategic Plan to realize future success from the semiconductor, nanoelectronics, clean technology, and other high technology sectors such as Biosciences, by developing an overarching incentives structure that can respond quickly to targets of opportunity and fit within the framework of the State's long-term financial picture. As a result of the project, the Institute will retain 32 existing jobs and will create 2 new jobs. MMRL has already created 1 job, recruiting a new scientist.

Adirondack Meat Company (North Country Region – Essex County) – \$300,000

The Adirondack Meat Company Inc., a USDA certified meat processor, will use a grant of up to \$300,000 for a portion of the cost of the construction of a new USDA meat processing facility in Ticonderoga.

Ticonderoga Water Sewer Infrastructure (North Country Region – Essex County) –\$177,286

The Town of Ticonderoga will use a grant of up to \$177,286 for a portion of the cost of sewer and water infrastructure improvements in the John Street area. The project is consistent with the North Country Regional Economic Development Council's plan to improve the quality of life and provide for health and safety of North Country communities with adequate water and sewer infrastructure.

Ticonderoga was formed in 1804 and is located at the confluence of Lake George and Lake Champlain in the southeastern corner of Essex County. Since the origins of the town go back to 1804, the aged water sewer infrastructure needed to be upgraded in certain areas having substandard, non-compliant water-sewer infrastructure. In order to comply with current NYS codes, Ticonderoga sought ESD assistance to finance its water sewer infrastructure improvement project in the John Street neighborhood of 14 families, protecting the health and safety of John Street residents.

Without ESD's help in funding the project, the town would continue to be non-compliant with current NYS-Department of Environmental Conservation health and safety codes, and the quality of living for John Street residents would have steadily decreased.

Amsterdam Industrial Development Agency (Montgomery County) – \$40,000

The Amsterdam Industrial Development Agency (IDA), a public benefit corporation that assists in the creation and retention of employment opportunities and businesses in the City of Amsterdam, will use a grant of up to \$40,000 for a portion of the cost to purchase machinery and equipment to upgrade the manufacturing facility of Mohawk Fabric Co., Inc., the Amsterdam IDA's beneficiary company.

In March 2012, the IDA collaborated with Mohawk Fabric, a manufacturer and distributor of specialty fabrics including silk, cotton nylon, polyester and rayon. Mohawk Fabric needed financial assistance to close a funding gap to purchase new machinery and equipment that would allow it to produce its own fabric instead of outsourcing approximately 25,000 tons of fabric from a company in North Carolina. This outsourcing was costing the Company approximately \$2.5 million annually.

In December 2012, the IDA was notified that a \$40,000 grant on behalf of Mohawk Fabric was awarded. Without ESD's assistance, the project could not have taken place. This project will retain 10 existing jobs and create five new jobs; the company has already created three of the five new jobs.

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

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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