

For Immediate Release: Monday, November 24, 2014

Contact:

Jason Cornwall | jason.conwall@esd.ny.gov | (800) 260-7313

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

EMPIRE STATE DEVELOPMENT APPROVES \$12 MILLION TO FUND PROJECTS GENERATING ECONOMIC OPPORTUNITY ACROSS NEW YORK STATE

Empire State Development's (ESD) Board of Directors met recently in New York City and approved nearly \$12 million in funding for nine projects that are spurring economic growth and opportunity across New York State. These targeted investments will leverage over \$144 million in private and other public funding to support small businesses, community and downtown revitalization, regional tourism, and projects that are building a strong foundation for future economic growth and job creation. The State's investments will directly create at least 706 new jobs and retain more than 1,640 existing jobs in the Empire State.

"The funding approved by the Board shows how ESD is taking action to support key projects statewide that create economic and employment opportunities for all New Yorkers," said Empire State Development President, CEO & Commissioner Kenneth Adams. "By supporting high growth industries like technology and manufacturing, and by improving our communities through infrastructure investment and tourism promotion, these projects are generating economic activity from Long Island to Western New York and paving the way for future growth."

The Board approved the following Regional Council award grants:

Bombardier Mass Transit – (North Country Region – Clinton County) - \$2,500,000

Bombardier Mass Transit Corporation, a rail car manufacturing company and a division of Canadian public corporation Bombardier Inc., will use a grant of up to \$2,500,000 for a portion of the costs required to expand its train manufacturing and testing facilities in Plattsburgh, Clinton County. Bombardier manufactures airplanes and trains and produces rail cars and public transportation equipment for the Metropolitan Transportation Authority (MTA) and many other major mass transit systems. Worldwide, the company employs over 70,000 people, and in the U.S. it employs 36,000 people at 37 facilities in 15 states.

Bombardier determined the need to expand and upgrade its Plattsburgh facility to provide for future growth and meet production demands resulting from increased sales of its rail cars, but required assistance to help finance its manufacturing expansion. The company applied for funding through the Regional Council CFA process and received a \$2,500,000 grant, without which the project would not have been possible. Bombardier has constructed a 57,000-square-foot manufacturing building, including the installation of equipment upgrades for a welding robot, and has expanded its test facility by 2,100

square feet. The expansion project will increase productive capacity by 40% and increase production flexibility, efficiencies, and cost competitiveness.

This priority project is consistent with the North Country Regional Economic Development Council's plan to support existing manufacturing operations and assist job creators in the North Country Region. As a result of the project, Bombardier has retained 288 jobs and has already met its commitment to create 100 new jobs.

Bates Troy Inc. – (Southern Tier Region – Broome County) - \$380,000

Bates Troy Inc., a family-owned laundry operations business, will use a grant of up to \$380,000 to purchase and install a combined heat and power unit that will provide savings and backup energy alternatives for its laundry plant operations. Bates Troy provides a range of professional services that cater to the regional healthcare industry, retail cleaner operations, and commercial and residential real estate markets. In an effort to establish a more efficient laundry operation and expand into new markets, the company decided to pursue energy efficient machinery and equipment upgrades as part of their \$4.5 million expansion project to their corporate plant, but was unable to purchase the energy efficient products without assistance.

Bates Troy applied for funding assistance through round two of the Regional Council CFA process and was awarded \$380,000, without which the project would not have been possible. This new equipment will help establish the Bates Troy facility as one of the most energy efficient laundry operations in the country. This priority project is consistent with the Southern Tier Regional Economic Development Council's goal to establish energy efficiency and renewable energy technologies within commercial sectors, and as a result of the project, Bates Troy will retain 70 jobs and create of 55 new jobs. The company has already created 20 new jobs.

Kolmar Laboratories – (Mid-Hudson Region - Orange County) - \$250,000

Kolmar Laboratories, Inc., a manufacturer of cosmetic and personal care products, will use a grant of up to \$250,000 for the construction of a bulk manufacturing area for dermatological preparations. Kolmar manufactures products pertaining to skin care, dermatology and plastic surgery, and in order to increase its penetration into the high end cosmetic manufacturing industry, Kolmar planned to expand its manufacturing space to accommodate research and development for new products. In order to fill a funding gap, Kolmar applied for funding through the Regional Council CFA process and received a \$250,000 grant, without which the company would have had to delay or cancel its expansion. The project is consistent with the Mid-Hudson Regional Economic Development Council's plan to leverage the current diverse manufacturing base to create more good paying jobs. As a result of this project, the company will retain 412 jobs and create 36 new jobs. The company has already created 12 jobs.

North Country Cultural Center of the Arts – (North Country Region – Clinton County) - \$250,000

The North Country Cultural Center for the Arts, a performing arts center created to save the historic Strand Theater, will use a grant of up to \$250,000 for a portion of the construction, renovation machinery and equipment costs to renovate the Strand Theater.

North Country Cultural Center for the Arts (NCCA) was formed in 1987 by community leaders to acquire and save the historic Strand Theater building from complete deterioration, and plans were made to raise funds, restore the facilities, and restart operations as a community resource for entertainment. In 2005, new volunteer leadership began fundraising for additional renovations and expanded programming opportunities, and NCCA sought ESD's assistance to help finance the improvements. NCCA applied for

funding through the Regional Council CFA process and received a \$250,000 grant, without which the project would not have been possible.

The Theater renovations and installation of new equipment have been completed, and the Theater is now operating as a performance and cultural arts center with a 1,326 seat auditorium. This project will provide an enhanced quality of life and new venue for cultural entertainment in the Plattsburgh community, and is consistent with the North Country Regional Economic Development Council's plan to enhance the quality of life and expand economic development in North Country communities.

Rome Strip Steel – (Mohawk Valley Region – Oneida County) - \$150,000

Rome Strip Steel Company, Inc., a family-owned company operating the only remaining steel mill in New York State, will use a grant of to \$150,000 for the purchase of new machinery and equipment to increase production and allow the company to retain its competitive edge as a top supplier of cold rolled strip steel. Rome Strip Steel operates a single steel mill in Rome, NY, employing 129 full-time permanent employees and one full-time permanent employee in Pennsylvania. The company supplies cold rolled strip steel to the automotive, bearing, and chainsaw industries.

In order to stay competitive, lower costs and continue operations in New York State, the company sought to improve its efficiency and increase its production capacity by applying for assistance through the Regional Council CFA process. ESD awarded the company a capital grant of \$150,000 for the acquisition and installation of new machinery and equipment. The project is consistent with the Mohawk Valley Regional Economic Development Council's goal to retain and stimulate manufacturing jobs in the region. As a result of this project, Rome Strip Steel will retain 124 full-time permanent jobs in the Mohawk Valley Region. The company currently employs 129 people, exceeding its goal by 5 jobs.

The Board approved the following Economic Development Purposes Fund grant:

Munson Machinery Company – (Mohawk Valley Region - Oneida County) - \$200,000

Munson Machinery Company Inc., a manufacturer of industrial mixers, blenders and size reduction equipment, will use a grant of up to \$200,000 for the construction of a bay with cranes, a loading dock and for the purchase of new machinery and equipment to further the company's expansion. Munson Machinery was formed in 1823 as a manufacturer of industrial mixers, blenders and size reduction equipment, and the company continues to manufacture these products today.

In 1940, Munson Machinery moved to its current facility in Utica, where its products contribute to the worldwide market for dry ingredient processing. The Environmental Protection Agency recently announced new guidelines to coal power plant emission standards that must be met by April 15, 2015, and in an effort to comply, Munson identified an opportunity to manufacture units that will reduce emissions from its coal power plants, and approached ESD for funding to build a bay addition to produce these new units. ESD awarded Munson a \$200,000 grant making it possible for the company to move forward on this new market opportunity.

This project is consistent with the Mohawk Valley Regional Economic Development Council's plan to attract manufacturing jobs and supplier networks in the region, and as a result of the project the company will retain 38 existing jobs and create 12 new jobs. Munson has already created 3 jobs.

The Board approved the following New York Works Capital grants:

Ford Stamping Plant – (Western New York Region - Erie County) - \$5,000,000

Ford Motor Company, one of the largest manufacturers of automobiles and commercial vehicles in the world, will use grant of up to \$5,000,000 as reimbursement for a portion of the cost to upgrade machinery and equipment at its Buffalo Stamping Plant in Western New York. The project is consistent with the Western New York Regional Economic Development Council's goal to retain jobs while contributing to the region's strong and long-standing manufacturing industry. This project will retain 640 jobs through January 2018 and allow the Buffalo Stamping Plant to remain open, competitive, and viable for future production growth.

Ford Motor Company is headquartered in Dearborn, Michigan and was formed by Henry Ford in 1903. The company is publicly traded on the New York Stock Exchange and has approximately 166,000 employees in 77 locations in 24 countries. In 1950 the Buffalo Stamping Plant, one of Ford's stamping plants in North America, began manufacturing metal stampings and welded sub-assemblies for the company's automotive car and truck assembly plants. Today, it produces doors, quarter panels, hoods, and fenders for Ford's trucks and passenger vehicles. It is one of five U.S. Ford stamping plants, but the only one not located in close proximity to or in a Ford manufacturing/assembly facility.

In 2012, Ford began evaluating the future of the Buffalo Stamping Plant, as it was the only stand-alone stamping plant remaining, with all others closed or integrated with assembly facilities. Ford notified ESD that if the Buffalo facility were to remain operational, the company would pledge a significant capital investment to allow the Buffalo Stamping Plant to manufacture new product lines, securing its long-term presence in Buffalo. ESD responded with incentives totaling \$7 million, including a \$5 million capital grant and \$2 million in tax credits through the Excelsior Jobs Program, which the company accepted. Without ESD's assistance, the Buffalo Stamping Plant could have been closed and resulted in the loss of 640 jobs in Western New York. The project involved renovations and consisted of design, build and installation of automation and support for several press lines, new assembly lines and manufacturing aids.

Xerox Commercial Solutions – (Finger Lakes Region - Monroe County) - \$1,000,000

Xerox Commercial Solutions, LLC, a subsidiary of Xerox Corporation serving the business processing and information technology outsourcing markets, will use a grant of up to \$1,000,000 for a portion of the cost of building renovations and the purchase of machinery and equipment for a new customer support call center in Webster, Monroe County.

XCS, formerly known as Affiliated Computer Services, Inc. (ACS), was founded 1988 as a data services provider to the financial services industry. When Xerox purchased ACS in February 2010, XCS eventually grew to serve the communications, education, financial services, government, healthcare, insurance, manufacturing, retail, and travel industries. XCS' customers include business-process and IT outsourcing services for schools, small businesses, government agencies, commercial printers, and Fortune 1000 companies.

XCS had numerous options to locate an inbound customer support call center for a major telecommunications client, and considered its existing locations in approximately 10 other states, but narrowed its options down to four other states and the Webster location. Xerox approached ESD for assistance to make its project more cost effective in New York State, and ESD offered a \$1,000,000

capital grant and Excelsior tax credits, which Xerox accepted in February 2012. ESD's assistance was a critical part of Xerox's decision to locate the project in New York.

This project is consistent with the Finger Lakes Regional Economic Council's plan to support the expansion of the Business Services, Software, and Telecommunications cluster in the region. As a result of this project, Xerox Commercial Solutions will retain 70 existing jobs and has committed to create 500 new jobs. The company has already created 545 new jobs.

The Board approved the following Downtown Revitalization Fund grant:

Town of Babylon DRF – (Long Island Region – Suffolk County) - \$2,000,000

The Town of Babylon in Lindenhurst, Suffolk County, will use a grant of up to \$2,000,000 for a portion of the cost to construct a sewer line and extend a sewer line to connect the Wyandanch Central Business District to the Southwest Sewer District.

The Town of Babylon, founded and incorporated in 1872, is located in southwestern Suffolk County and is approximately thirty-three miles east of New York City. The Town's high water table and lack of sewer infrastructure were identified as major obstacles to private development in the area. With this in mind, the Town of Babylon took action to secure funding to extend the sewer line that connected the Wyandanch Central Business District to the existing South West Sewer District to help advance revitalization. In 2009, the Town sought financial assistance from ESD, applying through the Downstate Revitalization Fund to bridge a funding gap in its budget. In January 2010, ESD made the Town an offer from the Downstate Revitalization Fund, without which the project could not have gone forward.

This project predates the Regional Council but is consistent with the Long Island Regional Economic Development Council's plan to promote continued infrastructure support for a complete redevelopment of Suffolk County's poorest community, and the completion of the sewer line has been a major incentive for private investment in downtown Wyandanch. This investment in sewers made possible a string of Regional Council award starting in 2011 that has resulted in improvements in the community. A dedicated Regional Council workgroup called the Opportunity Agenda Work Group now exists and focuses on the community and the economic development needs of Wyandanch.

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

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.

###