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Contact:

Austin Shafran (ESD) | ashafran@esd.ny.gov | 1-800-260-7313

ESD BOARD APPROVES GRANTS AND LOANS LEVERAGING MORE THAN \$245 MILLION IN INVESTMENT TO RETAIN AND CREATE JOBS ACROSS NEW YORK STATE

Empire State Development's Board of Directors met today in New York City and approved funding totaling \$9,832,900, pledging to create 120 new jobs and retain 1069 existing jobs in New York State. The funding will leverage over \$245 million in investments across the state.

"Over \$245 million in investments from business across New York show that companies believe in the new New York, and are choosing to stay here and grow here. Our support for these projects demonstrate a smart use of limited state resources that will stimulate much-needed job creation and economic activity in communities that need it most," said Empire State Development President, CEO & Commissioner Kenneth Adams. "Today's investments of over \$245 million show that companies believe in the *new* New York, and are choosing to stay here and grow their business, which is good news for all New Yorkers."

The Board has approved Economic Development Fund grants for the following:

Novelis Corporation (Oswego County) – \$5,000,000

Novelis, the world's largest producer of rolled aluminum, is investing more than \$200 million to expand its operations in Oswego County in response to escalating demand for aluminum sheet in the United States. The expansion will result in a 400 percent increase in the company's North America capacity for producing aluminum sheet for the automotive industry. ESD is providing a \$5 million grant to assist with the project, which will create 100 new, full-time permanent jobs and retain 651 existing employees.

Novelis is the world leader in aluminum automotive sheet, with more than 50 percent of the global market share for aluminum sheet used for making structural components and exterior body panels. Novelis aluminum can be found in 117 different vehicle models produced by leading automakers around the globe. The company will invest \$96 million to construct an 180,000 square foot addition to its existing plant, and \$138 million in new machinery and equipment. Empire State Development's capital grant will help offset a portion of the cost of the new machinery and equipment purchase and installation.

Aluminum is the sustainable choice for vehicles because of its recyclability and low weight. Lighter weight vehicles are a major part of the solution to the challenge that automakers face in reducing emissions and improving fuel economy. Novelis will construct two new high-performance aluminum finishing lines for automotive applications. The Oswego facility is an integrated recycling, hot rolling and cold rolling complex producing aluminum sheet for the beverage can, building construction and automotive industries.

The move reinforces Novelis' sustainability commitment to reduce its carbon footprint as well as those of its customers. Cars made with more aluminum use less fuel and produce less greenhouse gas emissions. Novelis will also make a strong effort to include recycling initiatives into new contracts for the automotive sheet.

Empire State Development President, CEO & Commissioner Kenneth Adams said, "Novelis' expansion project, which includes cutting-edge equipment, will create critical new jobs and retain hundreds of existing employees at its Oswego facility. ESD is proud to support the growth of manufacturing in Upstate New York and help companies like Novelis improve productivity and competitiveness."

Hi-Tech Pharmacal Co., Inc. (Suffolk County) – \$500,000

Hi-Tech Pharmacal Co., Inc., a manufacturer and marketer of a broad line of liquid, sterile, and semisolid pharmaceutical products, will reconfigure and expand its facilities and acquire additional machinery and equipment to increase its capacity to manufacture sterile products and address inefficiencies in its current locations. The company, which has the largest market share of sugar-free cough remedy in the U.S., will use a grant of up to \$500,000 for the first phase of a two phase expansion project, which entails the purchase of 1 new building, and renovations and equipping the new building as well as 6 existing buildings the company owned in Amityville. The machinery and equipment acquisition consists of production, plant, lab and office equipment. In addition, Hi-Tech has conducted site planning activities that will direct activities for the second phase of the project in order to reduce inefficiencies. In 2011, the company advised ESD that it was considering locations outside of New York, including Louisiana and Texas. ESD offered a total of \$1.5 million in incentives for the full project. The first phase will retain 290 jobs and create 20 new jobs, and has a total project cost of \$10,000,000. Hi-Tech has already created 65 new full-time jobs, which exceeds the requirement for the first phase.

Pentegra Services, Inc. (Westchester County) – \$150,000

Pentegra Services, Inc., an independent provider of retirement products and services to organizations nationwide, has significantly expanded its operations with the construction and renovation of the company's 27,505 square-foot leased facility. In the past few years, Pentegra's employment has more than doubled from 93 to 202 and outgrew its previous space. In order to accommodate its significant growth, Pentegra found it necessary to either expand its existing space or relocate to a much larger facility in Connecticut. For the company to stay in New York, a capital grant of \$150,000 was offered to the company by ESD to provide the additional funding needed to increase the existing space and perform major upgrades. Without ESD's financial assistance the company would have closed their New York facility and relocated

to Connecticut. This project had a total cost of \$1,182,789 and will retain 128 jobs in the newly renovated White Plains leased facility.

The Board has approved a Restore III grant for the following:

Village of Hudson Falls (Washington County) -- \$500,000

The Village of Hudson Falls, a once thriving community that has seen many of the businesses that defined its economy permanently closed or relocated, will use a grant of up to \$500,000 to renovate the vacant, former First National Bank building, located in the heart of downtown Hudson Falls. This 12,922 square-foot building will be renovated into 11,417 square feet of new commercial office space and 1,505 square feet will be space for apartments. The project is being undertaken by Glen Street Associates, the property owner. Glen Street Associates has a track record of real estate development including construction, leasing and property management. Glen Street Associates has also successfully restored several commercial buildings in nearby downtown Glens Falls. Renovations will begin in July 2012 and are expected to be completed by the end of December 2012. ESD's RESTORE III funds will be used to support renovations exclusively within the former First National Bank building. The project, which has a total cost of \$1,168,431, will have a significant impact on the economic viability of downtown Hudson Falls and the Village as a whole.

The Board has approved Regional Council Awards for the following:

Windham Mountain Partners, LLC (Greene County) – \$1,500,000

Windham Mountain, a tourism destination located in the northern Catskill Mountains that offers year-round amenities including world-class skiing, snow tubing, hiking, mountain biking, and zip lines, was awarded \$1,500,000 through the Governor's Regional Council initiative for a transformational project named "Destination Windham." The historic flooding and destruction caused by Hurricane Irene and Tropical Storm Lee has placed this transformational project at risk unless an improved stormwater management system is implemented. The project includes the advanced design, permitting and construction of an improved stormwater collection and control system to mitigate the effects of Hurricane Irene and Tropical Storm Lee, protect the multimillion resort infrastructure of Windham Mountain and permit the redevelopment of the lower base area to accommodate a \$33.5 million tourism destination project. The project is anticipated to generate 75 construction jobs and 50 permanent full-time equivalent jobs upon completion in an area where many workers have been displaced from employment as a result of the storms.

Finger Lakes Cultural & Natural History Museum (Yates County) – \$1,500,000

The Finger Lakes Cultural & Natural History Museum, a not-for-profit educational corporation, is proposed as the premier natural and cultural resource dedicated to the enjoyment, education and stewardship of the Finger Lakes Region (the "Region"), an area stretching from Rochester/Lake Ontario to the north, Watkins Glen to the south, Geneseo to the west, and Skaneateles to the east. Empire State Development is providing a Regional Council Capital Fund grant of up to \$1.5 million to go towards offsetting the costs of acquiring and renovating the

Branchport Elementary School site and the construction of the Discovery Campus. Other state agencies, EFC and OPRHP, are also contributing funding to the first phase of this transformational project. The total project cost is \$3,600,125 and at full buildout, the Museum will create over 90 jobs and generate approximately \$4 million in employee compensation. A one-time boost of 330 construction jobs is projected. The future economic benefits are expected to be significant.

Accelerate Long Island, Inc. (Nassau & Suffolk Counties) – \$500,000

Accelerate Long Island, Inc., an unprecedented collaboration of a number of Long Island's world-class research institutions with critical regional partners that have agreed to work together to foster the creation and sustained growth of innovative, science-based companies whose development will contribute to the prosperity and global position of Long Island, and to assist in the creation of an entrepreneurial ecosystem. The not-for-profit corporation will use a grant of up to \$500,000 to be used for a portion of the cost of investments in technology firms on Long Island as part of a regional effort to support new technology firm start-ups in the region and to collaborate efforts among Long Island's research institutions. Accelerate Long Island is a collaborative initiative to leverage the formidable innovation assets of Long Island's world-class research institutions to accelerate the commercialization of new technologies emerging from those institutions by starting and/or building entrepreneurial ventures around them that will provide high-paying jobs for Long Islanders. The organization plans to identify promising new technologies at Long Island's research institutions that have significant market potential, help support institutional efforts to develop them, and link them either with early stage financing to start a venture around them or in some cases with existing Long Island companies wishing to license and commercialize them. It is anticipated that more than 225 technologies will be evaluated for commercial potential over a three-year period.

Accelerate Long Island partners, who are contributing substantial funding to match state resources, include Stony Brook University, Brookhaven National Laboratory, Cold Spring Harbor Laboratory, Hofstra University, North Shore LIJ's Feinstein Institute and the Long Island Association. Accelerate Long Island was designated a "Transformative Project" by the Long Island Regional Council and is part a plan to foster technology and innovation.

Cornell Cooperative Extension of Suffolk County (Suffolk County) – \$182,900

Cornell Cooperative Extension of Suffolk County (CCE), unites researchers, students, educators, and community members, to provide learning opportunities in the fields of agriculture, gardening, marine ecosystems, forestry, and nutrition, will use a grant of up to \$182,900 to assist in the expansion of the Peconic Bay Scallop Restoration Project in Suffolk County, which focuses on restoring the bay scallop population on Long Island to both protect the eco-system and generate marine-related economic activity. In 2005 Cornell Cooperative Extension's Marine Program and Long Island University partnered with Suffolk County to create the largest scallop spawner sanctuary for the restoration of famous Peconic Bay Scallop. CCE will utilize the Regional Council award from Empire State Development to help expand the Peconic Bay Scallop Restoration project to allow for increased seed production, deployment of spat collectors to increase the number of seeds collected and planted, and educating shellfish

companies, including in-field demonstration, on how to successfully grow bay scallops, along with the creation of a marketing event. The economy of Suffolk County derives hundreds of millions of dollars from marine-related industries and from its diversified agriculture/horticulture industries, all of which benefit from the research –based information and assistance provided by CCE. The Peconic Bay Scallops Restoration Project was identified and supported by the Long Island Regional Council as a Transformative Project in recognition of the importance of increasing the scallop stocks in the Peconic Bay of Long Island. The stock was in decline for years and innovative efforts by Cooperative Extension of Suffolk County during the past decade have resulted in increased scallop landings, numerous jobs in the industry and \$3 million in annual regional economic activity.

"Empowering each region with the tools to invest in local job creation is exactly what our local economies need to get back on track. Regional Councils are like New York State's hardware store for economic development - providing the tools for each community to rebuild their economy and generate sustainable business growth," said Empire State Development President, CEO, & Commissioner Kenneth Adams.

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

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.nyworks.ny.gov and www.esd.ny.gov.

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