

# NEWYORKSTATE Advanced/NY

The Bi-Monthly Newsletter of the New York State Economic Development Council

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#### NYSEDC IS OPTIMISTIC ABOUT NEW YORK'S PROSPECTS FOR ECONOMIC REVIVAL

NYSEDC is optimistic about 2011 and looks forward to working with the new Cuomo administrative to help transform optimism to a tangible and successful economic program, said Brian McMahon, executive director of NYSEDC.

"Many of the ideas outlined in the Cuomo team's New York Works report reflect NYSEDC's thinking, and we hope to help put those ideas into action," McMahon said. NYSEDC priorities on that list of ideas include building a more innovation-

driven economy, improving the utility of the Excelsior program as a development tool, investing in infrastructure, and empowering New York's regions to grow. McMahon said Governor-elect's economic development plan provides a comprehensive blueprint for rescuing the state's moribund economy.

"The plan emphasizes reducing the cost of doing business, which is New York's biggest obstacle to economic growth," he said. "That means holding the line on corporate and personal income taxes. And it means reducing Upstate's most burdensome tax, the property tax, by putting in place a meaningful cap to restrict its growth."

The plan also recognizes that most of the state's economic growth will come from existing businesses expanding their operations in our communities, and that regional empowerment could support these businesses.

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## TO HELP ADVANCE GOVERNOR CUOMOS' DEVELOPMENT AGENDA, ATTEND NYSEDC'S IDA CONFERENCE



NYSEDC is planning its annual IDA Section Conference for Jan. 19 and 20 in Albany – and the case for NYSEDC

members to attend is more compelling than ever.

This conference is NYSEDC's first major event of a new era in New York State. Under our new Governor, Andrew Cuomo,

#### www.nysedc.org

Stories from this newsletter and past issues, along with information on many topics of interest in economic development, are posted at the New York State Economic Development Council web site:

www.nysedc.org.

Calendar entries on the site usually include links to details agendas and to on-line registration forms.

## From the Chair's Desk

New Yorkers are embracing a new day and a new opportunity to change our fortunes. This opportunity is especially important for us as members of NYSEDC. We are the professionals whom New Yorkers are asking to collaborate with Governor Cuomo and his team to lead this revival.

Our first opportunity to show that we deserve to lead this effort is the IDA conference. The Cuomo administration will have begun in earnest. Much of its senior leadership will be in place. This is a good time to work not just on IDA compliance issues, but also on the important IDA policy issues we expect to confront in 2011.

NYSEDC has already built strong relationships with Governor Cuomo's team. His confidantes recognized that NYSEDC is an important player in New York's economic future, so he gave me the privilege of serving on his transition

committee for economic development and labor. Many organizations that are fellow travelers with NYSEDC on key policy issues were also represented on that committee.

NYSEDC's participation and work on this committee is just one indication that the Cuomo Administration is interested in our concerns and listening to our perspective on these issues. That's an important sign. We know we won't always take the same position on these issues. But we take confidence in these early signs that we will always collaborate, and we will find ways to move forward in a positive way.

We also applaud the emphasis Governor Cuomo will place in regional councils. NYSEDC has emphasized the importance of such councils in acknowledging and addressing the different development needs that different regions of the state have. Regional economic development councils can ensure that we address those specific needs even as we conceive and execute a comprehensive statewide development plan.

## THE NEW YORK NANOTECHNOLOGY SUPERHIGHWAY: AN INNOVATION ENGINE FOR THE EMPIRE STATE'S ECONOMIC SUCCESS



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William Jennings Bryan once said, "Destiny is not a matter

of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved."

Nearly a century later, former GE Chairman Jack Welch put it more succinctly: "Control your own destiny or someone else will." These statements ring especially true amid the tattered landscape of a 21st century global economy that has been shaken at its foundation by the recent financial crisis.

New York, however, has witnessed the emergence of a nanotechnology-driven state economy based on a new model for public-private partnerships. The model offers a prime opportunity for the state to control its economic destiny, as it embarks on an exciting future under the stewardship of Governor Andrew Cuomo and his "New York Works" plan for economic revival.

Strategic investment provided by state government, as catalyzed over the last 15 years by the New York State Assembly economic development blueprint under the leadership of Speaker Sheldon Silver, has led to the

#### **Guest Column**

establishment of the College of Nanoscale Science and Engineering (CNSE) as an integrated innovation and education paradigm.

CNSE has enabled pioneering teaming of government, academia, and industry, including the world's top nanotechnology corporations. By anchoring a critical mass of research, development, and workforce training consortia at its Albany NanoTech Complex, CNSE is creating high-tech employment for Empire State residents, driving "in-sourcing" of nanotechnology jobs from around the world, and compelling sustained economic growth.

At CNSE, every dollar of public funding has to-date attracted 7 dollars in private investment, for a total of over \$6.5 billion. High-tech jobs on site at CNSE average an annual salary of \$81,000, nearly double New York's average yearly wage. They have grown from 72 in 2001 to 2,600 today at CNSE, and over 12,000 statewide, pumping more than a billion dollars in annual salaries and wages alone into the state economy.

Now, CNSE is deploying its innovation and education strategy across upstate to fully exploit the enormous potential of nanotechnology to catalyze statewide job growth and economic development. Using CNSE's unmatched intellectual assets and technological resources as the linchpin, a series of cross-regional partnerships have been launched this year in Utica-Rome, Syracuse, and Rochester. These initiatives aim to establish critical masses of regional economies in targeted nanotechnology-enabled growth industries, including electronics, energy, health care, and homeland security.

In Utica-Rome, critical investments by the New York State Assembly have created the Computer Chip Hybrid Integration Center, a \$250 million partnership between CNSE and SUNYIT acting as a magnet for nanotechnology education and commercialization in the Mohawk Valley. Nationally recognized information technology firm nfrastructure will locate there, creating 75 full-time and 125 part-time positions. They are the first of 475 high-tech jobs to be attracted or created under the auspices of the CNSE-SUNYIT partnership.

In Syracuse, CNSE, Lockheed Martin, and the CenterState Corporation for Economic Opportunity, again enabled by the New York State Assembly, have partnered to establish the \$250 million Nanotechnology Innovation and

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# TO HELP ADVANCE GOVERNOR CUOMOS' DEVELOPMENT AGENDA, ATTEND NYSEDC'S IDA CONFERENCE

Also heartening is the Cuomo administration's emphasis on building an innovation economy. That will involve not just encouraging technical innovations and inventions, but matching inventive capabilities with society's recognized needs.

No one can precisely spell out exactly how New York can launch a truly innovation-driven economy, and we know this may be a journey of a thousand miles. But embracing this concept as a development priority is the essential first step in that trek.

Finally, NYSEDC hails the Cuomo administration's emphasis on

aligning economic development with workforce development more closely. As Andrew Cuomo has detailed in his policy book, *The New New York Agenda: A Plan for Action,* New York has hundreds of different programs designed in some way to advance economic development.

This plethora of programs may not be the best way to address the growth priority. There should be opportunity to more efficiently align New York's investment development-related programs, with the goal of making them more efficient, better targeted, and more cost-effective for taxpayers.

This is an ambitious agenda for addressing formidable challenges. NYSEDC members can and must help. Joining the dialogue at our IDA Section Conference is a good way to start.

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# THE NEW YORK NANOTECHNOLOGY SUPERHIGHWAY: AN INNOVATION ENGINE FOR THE EMPIRE STATE'S ECONOMIC SUCCESS

Commercialization Excelerator. The initiative will retain over 2,000 high-tech jobs and create 250 more, while converting the iconic, but long-vacant, Building #3 at the Syracuse Electronics Park into a cutting-edge nanotechnology incubator and accelerator. Its first company is already on board: Group4 Labs, which makes advanced nanoelectronics devices for commercial,

defense, and clean energy applications, is relocating from Silicon Valley.

And, in Rochester, the incorporation of the Infotonics Technology Center into CNSE has created the New York Center of Excellence in Smart System Technology and Commercialization. The \$100 million initiative will generate 250 high-tech jobs, including 50 recently announced by Moser Baer Technologies. The U.S. subsidiary of a multibillion dollar Indian corporation will make a \$17 million investment to establish at STC the world's first pilot production facility for Organic Light Emitting Diodes, considered critical for the development of green lighting technologies.

"Never before in history," said Bill Gates, "has innovation offered promise of so much to so many in so short a time." Exhibit A is upstate New York's nanotechnology superhighway. It is projected to support over 25,000 nanotechnology jobs by 2015, pumping over \$2.5 billion in annual salaries and wages alone into the state economy. And with the dawn of the resourceful and determined leadership of Governor Andrew Cuomo, and the sustained strategic vision and proactive support of Speaker Sheldon Silver and the New York State Assembly, the state has a golden opportunity to control its economic destiny for decades to come.

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#### NYSEDC IS OPTIMISTIC ABOUT NEW YORK'S PROSPECTS FOR ECONOMIC REVIVAL

McMahon also praised the Cuomo economic blueprint for its emphasis on an innovation economy. The plan targets capital for tech-transfer, and includes recommendations for changing the culture within higher education to better foster commercialization of university-based R&D and business partnerships.

McMahon said NYSEDC hopes that planned regional councils can improve the quality and speed of private investments in New York by expediting the delivery of economic development resources at the local level, easing red tape, and accelerating government approvals.

These regional councils will not fulfill this promise, however, if they become nothing more than a new layer of bureaucracy, he added.

NYSEDC also looks forward to working with Senate Republicans as they return to the majority, and with Assembly leadership. A top legislative priority this year should be rebuilding credibility New York State lost last year when the tax credits promised under the Empire Zone and other programs were deferred, McMahon noted.

"NYSEDC will also monitor and oppose any shortsighted proposals that could further erode job creation in New York State, McMahon said. Possible areas of concern include: wage mandates on economic development projects; any further swelling of the regulatory regimen that economic development organizations face; new restrictions on projects that can be financed by IDAs and LDCs; state Department of Labor opinions that expand the application of prevailing wages to private economic development projects; and taxes levied on job creation entities, such as IDAs.

McMahon said NYSEDC will also continue

forging or joining coalitions to support or oppose initiatives affecting New York's economic development.

"NYSEDC is optimistic that, working in partnership with allied organizations, such as New York Association of Training and Employment Professionals, the Business Incubator Association of New York State, and others that NYSEDC can create much better alignment among workforce development, economic development, and the innovation economy," McMahon said. "That is our future, and that is where we must go."

#### **Calendar of Events**

January 19 - 20, 2011

IDA Section Conference & Board of Directors Meeting

The Marriott Hotel Albany, New York

<u>February 15, 2011</u> IDA Education Day Albany, New York

February 16, 2011 Innovation Section Meeting The Marriott Hotel Albany, New York

April 30 - May 4, 2011

IAMC Spring Forum

Hyatt Regency Tamaya F

Hyatt Regency, Tamaya Resort & Spa Albuquerque, New Mexico May 25 - 27, 2011
Annual Meeting
The Otesaga Hotel

Cooperstown, New York

June 27 – 30, 2011
Basic Economic Development Course
College of Nanoscale
& Science Engineering

SUNY Campus Albany, New York

June 27 - 30, 2011

Bio International Convention Walter E. Washington Convention Center Washington, D.C.

October 26 - 27, 2011 Innovation Conference University of Buffalo Buffalo, New York

#### NATIONAL GRID, NYSERDA ADVANCING SEPARATE ENERGY PROGRAMS TO PROMOTE JOB GROWTH

National Grid's Manufacturing Productivity Program is helping small and medium-sized companies to make productivity and business development improvements designed to lower costs and increase sales, the company said in a release.

The program was launched in January 2009; by May 2010, 42 matching grants had been awarded to manufacturers. The program incents manufacturers to undertake "lean manufacturing" projects that increase productivity and an enhanced incentive for those that also undertake activities that create new products or sales. Priority consideration is given to projects that include energy efficiency or environmental solutions.

Though it is not an energy efficiency program, the MPP benefits a company's energy use, National Grid's release said.

"The Manufacturing Productivity Program supports companies seeking to lower operating costs, thereby increasing output without increasing energy consumption", said Arthur W. Hamlin, Director of Upstate NY Economic Development for National Grid. "We are pleased to be able to aid companies willing to undertaking projects that could also result in new product development and increased sales".

National Grid says MPP is one of its most popular and productive programs. Applicants are projecting operating cost savings of over \$6 million per year and over \$95 million in new annual revenue from increased sales, resulting from MPP projects. They are also projecting the creation of 586 new jobs and the retention of 1,582 existing jobs. The average grant has been less than \$19,000, which is small, relative to other National Grid economic development grant programs.

The program was developed in partnership with regional technology development centers (RTDCs) from Western New York, the Finger Lakes Region, Central New York, Mohawk Valley, the North Country and the Capital Region. RTDCs are independent, not-for-profit organizations that cultivate the growth of high-tech industry and help smaller manufacturers modernize.

After each project is completed, regional technology development centers conduct evaluations to verify results (i.e. reduction in operating costs, product development or increased sales).

<u>Click here</u> for a detailed description of the program.

Applicants should contact their Regional Technology Development Center to begin the process. For a directory of RTDCs <u>click here</u>.

NYSERDA is making \$93 million available for improvements to existing facilities and new construction under its FlexTech

Program. Manufacturers, printers, minders, bakers, and agriculture operators are eligible for the program. The initiative is designed to help customers identify and determine possible returns on investment from process improvements, then make informed energy-related decision.

NYSERDA has contracted with CHA (formerly Clough, Harbour & Associates) to promote the program to industries across much of the state. NYSEDC is a subcontractor with CHA on this project.

Studies that can be conducted under the program are site- and process-specific and can be tailored to customer needs. Options include: feasibility studies; energy master plans; energy procurement; retrocommissioning; CHP/renewables; load curtailment; and energy advisor consulting.

NYSEDC members can benefit by reaching out to large energy users in your area and schedule on-site meetings with the company and CHA.

To learn more click here.



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# THE NEW NORTH COUNTRY ALLIANCE ADVANCES ITS AGENDA

The North Country Alliance (NCA) was established in 1988 as a regional partnership comprised of 32 professionally staffed economic development organizations. It represents New York's North Country region, which includes Clinton, Essex, Franklin, Jefferson, Lewis, and St. Lawrence counties. From 1988 until earlier this year, the NCA operated as a loose coalition that managed revolving loan funds and dabbled in regional marketing. Over the years there were discussions about a more defined structure and expanding the NCA's role, but in 2010 the membership decided to adopt the NIKE position and "just do it."

After two years of discussion and analysis by NCA members, including strategic planning sessions moderated by ESDC staff, the membership unanimously voted to restructure and expand the NCA. This decision reflected a desire of the members to properly position the NCA to be eligible for potential funding (should it become available) and to develop strong links with the private sector throughout the region.

The NCA adopted new by-laws that established a new governance structure that ensures regional representation. It established an interim Board of Directors, representative of the original "signators" to the NCA certificate of incorporation, which recruited private sector members and facilitated the election of a new Board at the June 2010 Annual Meeting.

The new NCA decided that its most important new initiative was to expand on the advocacy and legislative education initiatives begun the previous year. The newly formed Advocacy Committee created a legislative agenda and successfully weighed in on the following positions:

- Making economic development programs available state-wide and not bound by a designated zone boundary;
- Providing special incentives for

# Projects in the **Spotlight**

businesses locating in particular "distressed areas" of the state;

- Increasing capital investment tax credits and creating well-funded SEED funds to entice private investment;
- Urging the state Legislature to reject the 2010-2011 Executive Budget proposal to close three Upstate New York prisons;
- Advocating to keep all stateoperated parks open; and,
- Urging the state Legislature to repeal the cost recovery tax on IDAs by ensuring the quick passage of S.6962. Additionally, the NCA fully supported the New York State Economic Development Council's action plan to halt the imposition of this tax.

"Developing and promoting the North Country's economic development agenda is a new and exciting role for the NCA," said Erin Hynes, chair of the Advocacy Committee Chair of the Development Corporation of Clinton County. "We intend to make our mark in Albany and hope that the successful launch of our agenda in 2010 will give us momentum for the upcoming 2011 session."

The NCA was also successful recently in obtaining \$1.75 million in new loan fund capital from Empire State Development's Small Business Revolving Loan fund, which will be overseen by the Loan Review Committee. The Communications Committee, chaired by Board President Brian Gladwin of NBT Bank, is busy forming new strategies to educate and inform all concerned of the NCA's programming and the North Country's advantages for business, and the NCA is hoping to be involved in Governor Cuomo's Regional Economic **Development Councils.** 

This is an auspicious beginning to what is hoped to be a long and productive run for the new NCA.

# BNE HELPS BRING CANADIAN METAL FABRICATOR TO ERIE COUNTY

A Canadian manufacturer that fabricates metal for large-scale applications has decided to expand its operations in a vacant factory in Lackawanna, Erie County.

Buffalo Niagara Enterprise, which helped facilitate the deal, cited three primary factors in Linita Design and Manufacturing's decision to expand in New York: improved access to U.S. markets; avoidance of the challenge of crossing into the United States with trucks that are too heavy for bridges; and reduction of shipping costs.

"This is a good win for Lackawanna and the Buffalo Niagara region as a whole, and it shows that we're a viable alternative for Canadian manufacturing companies," said Thomas A. Kucharski, president and CEO of the Buffalo Niagara Enterprise economic development organization.

Linita, which makes gates and hoists for hydropower dams, generates just over half of its sales in the United States.

The Lackawanna site was appropriate because the company was seeking a facility with existing overhead cranes. The company was also considering a possible venue in Pennsylvania.

Linita bought Integrated Terminals, a 69,500-squarefoot site in Lackawanna. The company has said it expects to hire 35 people over three years and invest more than \$1.7 million.

BNE first learned of the project from ESD's Toronto office in January 2008. BNE helped Linita with site selection, access to incentives, workforce and crossborder issues, introductions to professional service providers, wage rates, and demographic information.

Incentives and assistance that facilitated the deal came from a variety of sources, including the state Department of Labor, Empire State Development, the Erie County Industrial Development Agency and the Lackawanna Empire Zone.

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## THE DEVELOPMENT CORPORATION HELPS ATTRACT A CHILLER MANUFACTURING

A Montreal-based manufacturer of chillers has opened its first U.S. plant among other industrial properties at the Plattsburgh International Airport.

The Smardt Chiller Group, a "green-tech" manufacturer, is the fifth largest manufacturer of chillers in the world and the leader in the oil-free high-efficiency sector. It has other plants in Montreal and Melbourne, Australia.

The company signed a five-year lease on May 1 and now occupies 26,500 square feet in an airport industrial building. Production began in June of high-efficiency chillers to be shipped to North Carolina.

Smardt approached the Development Corporation in the fall of 2009 for help opening a facility in the Plattsburgh region. TDC showed Smardt several appropriate sites but showcased the property chosen as the most comprehensive solution for the prospect.

Erin Hynes, an economic developer for TDC, said there was one other competitor for the prospect. She said Clinton County prevailed because of its key assets: the facility, the region's amenities, the dedicated workforce, and incentives through programs such as the Empire Zone program.

Smardt plans to create 32 jobs or more over the next three years.

Adoré Flynn Kurtz, president of TDC, said three recent TDC deals that brought manufacturers to Plattsburgh reflect "obvious collaborative efforts of The Development Corporation with Clinton County, our partners at the state and the Workforce Investment Board's OneWorkSource."

## GREENE COUNTY SHOWCASE A NEW MULTI-PARTNER WORKFORCE TRAINING CENTER

Business and development groups in Greene County have unveiled a new workforce training center dedicated in honor of longtime Coxsackie-Athens School Superintendent Sy DeLucia.

The state Division of Housing and Community Renewal provided funding that will provide technology for the new S.C. DeLucia Education & Training Center and support its administrative and infrastructure costs.

"We can not thank the NYS Division of Housing

and Community Renewal enough for believing in our vision of training a truly qualified workforce to attract emerging technologies jobs to Greene County," said Robert Snyder, Chairman of the Greene County IDA. "Without the \$100,000 grant secured to fund this initiative, it would not have become a reality."

The center is a state-of-the-art multiuse facility that will address a variety of critical workforce, educational, and employer/employee training needs for the public and private sectors. The space provides 22 training workstations with individual laptop computers, presentation tools and an impressive SMART Board.

The center is expected to be used by many different users for a variety of training needs, including training with Emerging Technologies, Retraining of Employed and Unemployed Workforce, Safety and Risk Management, GED Certification, Solar Panel Installation, Management and Supervisory Development, and Culinary Arts.

Dr. Andrew DeFeo, Assistant Superintendent for the Questar III BOCES, praised Sandy Mathes, Executive Director of the Greene County IDA, and the IDA Board of Directors for their leadership in the project. "Their efforts to transform a portion of the Greene Accelerator into a state-of-the-art training facility and make it available for training opportunities through our programs demonstrate again the cooperative partnership and vision that exists to support workforce preparation in Greene County," he said.

Partners in the project expected to utilize the facility include Questar III, Columbia-Greene Community College, and Coxsackie Area Chamber of Commerce, local High Schools, community groups, not-for-profits and the Greene Business Alliance.