

New York's Growing Empire of High Technology

By Dominique Cantelme

With the world's eleventh largest economy and the largest regional economy in the U.S., the Empire State is headquarters for scores of companies and a place where businesses of all sizes can tap resources and a diversely talented and experienced workforce. It is the most powerful global hub of commerce, finance, culture, international affairs and entertainment and the state's innovative, pro-growth financial incentives provide the ideal business climate for companies to thrive.

New York's pro-business philosophy offers companies job-creating tax cuts and encourages emerging technology growth with tax incentives for research and development. Incentives include the Manufacturing Assistance Program (MAP), Build Now-NY, Federal Empowerment Zones and Investment Tax Credits.

A global leader in high technology, New York has invested more than \$1 billion in this sector over the past seven years. The state is home to GlobalFoundries, one of the most advanced semiconductor manufacturing facilities in the world and one of the largest private sector industrial investments in New York's history. Incentives that help to attract high-tech companies include

the Qualified Emerging Technology Employment Credit and Qualified Emerging Technology Company Capital Tax Credit.

New York is also a top location for international investment. Gov. David Paterson and Empire State Development (ESD), the State's lead economic development agency, are making great strides in fostering international business as well job creation. "New York is ideally positioned to compete and lead in the global economy," said Empire State Development (ESD) President and CEO Marisa Lago.

To continue attracting new business, improve commerce, and revitalize local economies, New York announced several economic development initiatives in 2009—the \$120 million Upstate Regional Blueprint Fund and the \$35 million Downstate Revitalization Fund, which provide funding to finance business investment, infrastructure upgrades and downtown redevelopment efforts.

Both programs support projects that help provide a framework for future growth in Upstate and Downstate regions with stymied development. The programs will invest in projects that advance local development and small businesses.

New York is not just a state of mind; it is a trendsetter with a progressive outlook on economic development and an aggressive approach to conducting business. Here is a sampling of some choice locations you will want to consider in the Empire State.

SYRACUSE ENTERS NANOTECH SWEEPSTAKES

A collaboration between Lockheed Martin Corp., the Albany-based College of Nanoscale Science and Engineering, and a central New York economic development agency will become a \$250 million investment in the next year and ultimately may blossom into a \$1 billion development.

The endeavor is centered around a vacant former General Electric Co. laboratory in the Syracuse suburb of Salina. The New York State Assembly is providing \$28 million for the project, including \$16 million to renovate the laboratory and \$12 million to pay for specialized equipment. The new laboratory will turn innovations developed at CNSE's Albany Nanotech complex into products for commercial and military markets. The venture is expected to create 250 jobs in Syracuse.

Alain Kaloyeros, senior vice president and CEO of the College of Nanoscale Science and Engineering told the *TimesUnion* that Bethesda, Md.-based Lockheed Martin will move at least some of those jobs from other locations to Syracuse. In addition, it will become a tenant at Albany Nanotech, and Kaloyeros said he expects it to have 25 to 35 researchers there. More than 2,500 people are employed at the Albany research complex, a \$6.5-billion public-private partnership.

The GE laboratory once focused

on research into television tubes, pacemakers and intercontinental ballistic missiles. The 100,000-square-foot building has been closed for 14 years. It is part of the Electronics Park campus once occupied by GE, where Lockheed Martin now has 2,400 employees.

GE sold its aerospace business, including the campus, to Martin Marietta in 1992 for \$3.01 billion. A merger with Lockheed created Lockheed Martin in 1995.

Electronics Park is operated by the CenterState Corporation for Economic Opportunity, a regional economic development agency, in a partnership with Lockheed Martin and Empire State Development Corp.

Research and development of so-called "systems on a chip" for radar and sonar applications will take place in Albany, Kaloyeros said, and then be developed into products in Syracuse.

Work on the project is expected to begin by the end of the year and take 18 months.

The arrangement with Lockheed Martin is similar to deals with IBM Corp. and GlobalFoundries, in which the research occurs in Albany and manufacturing takes place in Fishkill and Malta.

Sematech, the global consortium of leading computer chip makers (including Intel, HP and Toshiba) announced earlier this month, Sematech announced that it will move the bulk of its remaining operations from Austin, TX to CNSE in Albany in January, bringing at least 100 new jobs to the complex. Sematech CEO Dan Armbrust announced that Sematech's manufacturing arm, known as International Sematech

Manufacturing Initiative Inc. (ISMI), will relocate its headquarters to CNSE's nanotech complex.

ISMI and private partners will invest a combined \$80 million in the Albany operation, including \$20 million in state money contributed through the Empire State Development Corp.

SENECA COUNTY: ALL THE INGREDIENTS FOR SUCCESS

From scenic landscapes and world-renowned wines, to a motivated labor force and generous business incentives, Seneca County, New York has all the ingredients for a successful business. Located in the the Finger Lakes Region, equidistant from Rochester and Syracuse, this area is gaining more and more attention as the right place to locate. Recent expansions by ITT Goulds Pumps and BonaDent Dental Laboratories are helping to stabilize the local economy, and recent events in the region will serve to pull nano-based economic development from its center in Albany.

The former Seneca Army Depot, closed in 2000, offers almost 10,000 acres of economic development possibilities including industrial, distribution, research and conservation. "We call it the undiscovered research triangle," says Industrial Development Agency (IDA) Director Bob Aronson. The depot is about an hour from the research universities of Ithaca, Rochester and Syracuse. "Schools like Cornell and the University of Rochester actively seek ways to collaborate, and we hope to be involved as the idea of university based technology transfer becomes embedded in New York's economic development strategy."

The depot also appears destined

to become a hub for alternative energy as various renewable energy developers are taking notice. "Wind, solar, biogas and other developers have their eye on this large mass of land because there is only one owner to deal with," according to Tom Kime, Chairman of the Seneca County IDA.

A global leader in producing pumps for the industrial sector, ITT Goulds Pumps has played an integral role in Seneca County since 1848. This manufacturer of industrial pumping products used in the chemical, pulp and paper, power generation, oil and gas and mining industries has more than a million process pumps installed worldwide.

Goulds Pumps was acquired by ITT Corporation in 1997, and continues to operate as a wholly owned subsidiary of its fluid technology segment. Together, the two companies currently serve more than 130 nations.

In October 2008, Goulds Pumps privately invested more than \$10 million for the renovation of its manufacturing operations in Seneca County. The project included the renovation and upgrade of the company's 850,000-square-foot manufacturing facility. This also included the expansion of its research and development center to accommodate testing of new, larger pumps for burgeoning global markets. The manufacturer retained nearly 800 employees and created 60 new jobs due to the strategic renovations.

Prior to the company's 2008 renovations, it was faced with increasing global competitive cost pressures and evaluated means to improve productivity and efficiency.

Before deciding to keep its oper-

ation in New York State, the company considered several options, including moving the Seneca Falls pump operation to a low-cost greenfield location. However, the company saw its value in the Finger Lakes region. So did New York's Empire State Development Corporation (ESD) and the Seneca County IDA. Together, these organizations have provided grants, Empire Zone program benefits and other incentives for the company's expansion. The Seneca County IDA supports capital investments by the company almost annually, sending a message that once a company is attracted to Seneca County, its future growth will continually be supported.

ITT **Goulds Pumps** is a cornerstone of Seneca Falls and Seneca County. The company's decision to continue growing and investing in its Seneca Falls facility demonstrates its unwavering commitment to Upstate New York and shows what a significant asset and contributor it is to the region. As a major economic engine in the Finger Lakes region, the growth and expansion of Goulds Pumps is a critical component to keeping the area viable and competitive.

Another key employer, BonaDent Dental Laboratories, has grown to become the second largest independent dental laboratory in the United States, employed 180 people lately. Its highly skilled ceramists are nothing short of artists as they work tirelessly to create custom restorations. A future expansion that could double the company's size is close to becoming a reality in Seneca County. The company plans to acquire the latest technology and machinery, allowing it to expand its

client-base beyond dental practices and service other labs more effectively, and employ at least 90 more people within a few years. While another state has been competing for this expansion, once again a partnership with Seneca County, the IDA, the local municipality and ESD provided incentives that convinced the company to expand locally. According to Aronson, "Many people believe New York has difficulty supporting business growth, but it isn't true. There is a spirit of collaboration amongst those responsible for economic development that works to the benefit of employers. It's the partnership that works, not any one partner." In the words of Bruce Bonafiglia, President of BonaDent Dental Laboratories, "You owe it to yourself and your business to see what resources Seneca County can provide. I've never regretted moving my business and people here!"

The Seneca County Industrial Development Agency (SENIDA) is the local delivery mechanism for economic development incentives in this county of New York State. We are situated in the heart of the Finger Lakes region, equidistant from the cities of Rochester and Syracuse. The county is bordered by the two largest lakes—Seneca and Cayuga—which translates into fresh water and lots of it! Most of our industrial activity is in the northern part of the county, which is intersected by Interstate 90; however, the SENIDA owns a 10,000 acre former Army base—the Seneca Army Depot—that is further south. Otherwise the southern portion of the county is agricultural, serving as the home for 30 the region's award winning bou-

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tique wineries.

While rural Seneca County has a population of only 35,000 people, there are approximately 1,750,000 people within a 50 mile radius—a one hour reverse commute via Interstate 90.

- The same one hour drive provides the choice of two city airports — Rochester or Syracuse—and a third is not much farther—Buffalo.
- The same one hour drive also provides the choice of multiple community colleges, technical schools, four year liberal arts and engineering colleges, medical schools and two major U.S. research universities—Cornell University and the University of Rochester.
- Along with the intersection of Interstate 90, rail runs through much of the county and fiber optic is in place from top to bottom.

Whether your firm is in basic industry, alternative energy, nanotechnology or anything in between, you will find synergies here because this state has the resources, and SENIDA is positioned to partner with multiple providers of incentives to reduce your risk of investing. Don't take this advice from us—take it from our employers:

“You owe it to yourself and your business to see what resources Seneca County can provide. I've never regretted moving my business and people here!” Bruce H. Bonafiglia, President, BonaDent and Danaren Dental Laboratories

“Seneca County has great things going for it: it's a great place to run a business, a great place to raise a family, and the award-winning wine is icing on the cake.” David Borisoff, President, Hip-shot Products, Inc. ■



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