

BLUEPRINT
FOR THE
FUTURE

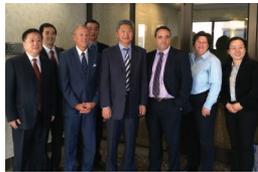
At CEG, we say that
“anything can happen”
here in Tech Valley.

A BOLD NEW BLUEPRINT FOR THE FUTURE

2015 has been a year of new successes, investments, and heights for intra-regional collaboration. You'll notice that this year's annual report looks and feels much different than prior years. We've taken a more direct, concise approach to reporting on our outcomes. This report touches on the outcomes achieved over the past year, but frames them in the light of a bold new blueprint for the future. A more detailed version can be found on our website at www.ceg.org.

CEG has a track record of weaving together regional assets and interests into a unified approach to strengthening our existing industry, attracting new investment, and laying the groundwork for future growth. At this juncture, we are already home to a critical mass of high-tech manufacturers, suppliers, research and development, institutions of higher education, and other elements of key industry clusters from life sciences to nanotechnology. Our agenda today as the regional economic development organization is still to attract and generate new growth, but it must also involve shaping and channeling economic expansion in ways that ensure sustainability and quality of life improvements for all of our residents.

If you are reading this as one of our investors or partners, you know the importance of having this forum for regional dialogue and transformational economic development work. If you are reading this as an interested community stakeholder, we encourage you to join with like-minded leaders who see great things underway in Tech Valley.



MESSAGE FROM THE PRESIDENT



It's a dynamic time in Upstate New York. The stakes are higher than ever under Governor Cuomo's region-based economic development model. \$1.5 billion is on the table, a sum that, when divided among three regions with the best revitalization plans, will drive job growth and raise household income in ways that well surpass our traditional economic development mechanisms.

Tech Valley and the Greater Capital Region have come a long way in recent years in terms of shedding parochialism and collaborating on growth strategies that cross our local government and industry sector boundaries. Our momentum toward acting as a true region has reached new heights this year, in part due to the Upstate Revitalization Initiative that demands it.

We celebrate CEG's 28th anniversary fresh from an important transformational strategic planning exercise. As part of the Upstate Revitalization Initiative (URI) Advisory Council team, we and our community partners have taken a thorough, data-driven look at our economic strengths, weaknesses, and opportunities. We have developed an appropriately ambitious strategy that will propel Tech Valley beyond its successful economic recovery and make us a world leader in technology- and innovation-led growth that reaches all segments of our communities.

As the CEG board chair last year and now as interim president and CEO, my theme has been that our organization must advance a single regional agenda and be nimble and adaptable in responding to the evolution of the New York State economic development process. I am proud that CEG has taken a very active role in helping to convene the region to solidify our joint agenda. I am also very grateful to all those who have contributed to this valiant collaborative effort and there are many. Win or lose, we look forward to the hard work of implementing that strategy with all of you—our investors and partners—in the years to come.

A handwritten signature in black ink, appearing to read "Michael J. Hickey". The signature is fluid and cursive, written over a white background.

Michael J. Hickey
Interim President & CEO

MESSAGE FROM THE CHAIRWOMAN



I'd like to take this opportunity to thank you for your investment in CEG. That investment is a tangible demonstration of your commitment to our region and it was essential to achieving our outcomes detailed in this report for 2015. The commitment and participation of leaders from across our business, government, healthcare, education, and non-profit sectors to CEG's vision and mission is what gives our region the ability to address gaps in our workforce pipeline; to strengthen the entrepreneurship ecosystem; to plan for our future infrastructure needs and perhaps most importantly, to grow and attract new enterprises.

Equally important to this agenda is CEG's role as the Regional Technology Development Center, providing vital services to small- and mid-sized manufacturers and technology companies. Year after year, under this Empire State Development (ESD) and U.S. Department of Commerce program, we deliver programming with a significant impact on the enhanced competitiveness of Tech Valley's manufacturing sector. And in our long-standing role as the region's marketing organization, CEG gives Tech Valley essential visibility to decision makers in the national industries that we have prioritized as growth leaders for our innovation-rich economy.

Finally, I would like to express my appreciation for the opportunity to serve as Board Chair of this important organization. Through our important partnerships and the strength of our membership, our board, our President Mike Hickey and our staff, I am confident in our ability to work together and collectively help our region reach its full potential, for the benefit of all of the businesses and people that call Tech Valley home.

A handwritten signature in black ink that reads "Laura Schweitzer".

Laura Schweitzer, Ph.D
Chair of the Board

BUSINESS GROWTH SERVICES

The Center for Economic Growth's (CEG) Business Growth Services (BGS) is the Capital Region's comprehensive resource to grow manufacturing and technology business. CEG is the Empire State Development Division of Science, Technology and Innovation-designated Regional Technology Development Center (RTDC) for New York State's Capital Region and an affiliate of the National Institute for Standards and Technology Manufacturing Extension Partnership (NIST MEP), comprised of 60 Centers across the country.

More than
\$500 million

In impacts since 2002

\$97

ROI for every \$1 of funding invested

The following reflect annual averages for the past five years.

\$40,541,619

Total average annual impact

\$19,301,700

Total average annual sales increased and retained

\$1,080,200

Total average annual cost savings

**NYSERDA
Economic
Development
Growth
Extension
Partnership**

68

stakeholders connected with available energy efficiency and renewable energy support programs, totaling 98 individual projects.

.....
Over life of the program, CEG maintains one of the highest overall success rates in the state.

**National Grid's
Manufacturing
Productivity
Program**

CEG worked on this program with National Grid deploying approximately \$100,000 in grant funding to Capital Region manufacturers which delivered

\$9.7 million

in total quantified impact for 2014.

.....
Manufacturing employs over 550,000 New Yorkers and contributes \$61 billion annually to New York State's GDP. Every manufacturing job creates more than 2.5 related jobs in other sectors, and every dollar spent generates an additional \$1.37 in economic activity.

BUSINESS GROWTH SERVICES

During 2014, there were 24 CEN manufacturing members with more than 1,100 employees surveyed for impacts related to their involvement in CEN, they reported:



\$4.7 million

In client investments such as plant equipment, workforce, and other areas



65%

Sales growth from new markets, customers, products or services



319

Manufacturing jobs were created and retained



\$15 million

Economic impact of created and retained manufacturing jobs

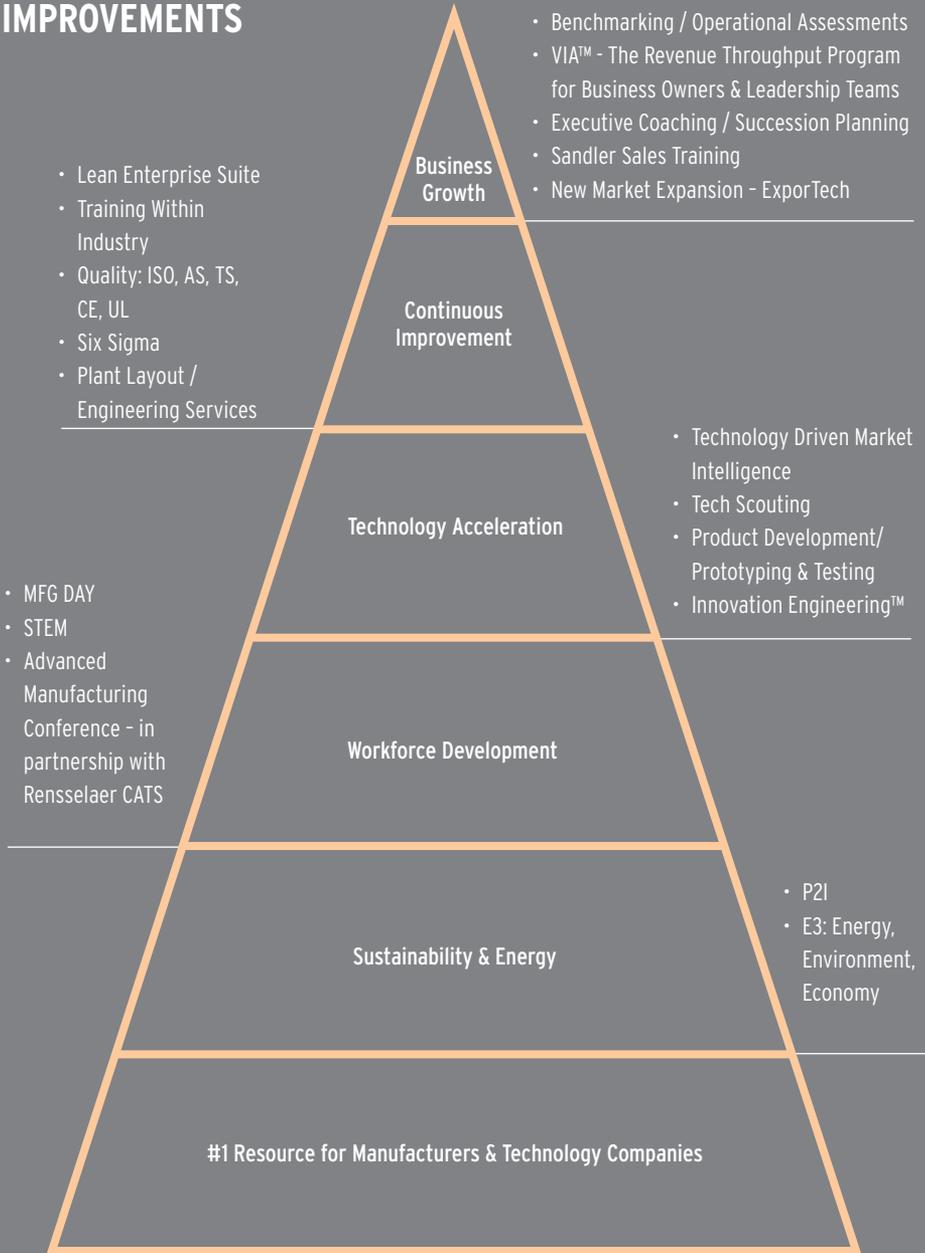


\$15.81 million

Increased and retained sales

Read about more industry resources and networks including Workforce Development Institute Funding; BioConnex; the Technology Roadmap and the Tech Valley Global Business Network in our full report online at www.ceg.org.

EXPERTISE IN OPERATIONS, STRATEGY, GROWTH, TRAINING AND PROCESS IMPROVEMENTS



CEG, as the designated regional Manufacturing Extension Partnership Center, works with successful manufacturing executives and business owners that at times struggle with top and bottom line growth due to ebbs and flows in sales, productivity challenges, and other factors.

Strategic Objective:

Establish an entrepreneurship ecosystem that will help develop and execute on the success of our technology clusters.

Strategic Initiative: Enterprise Engagement & Validation.

Accelerate 518: CEG facilitates this consortium of Capital Region stakeholders; their mission is to educate aspiring entrepreneurs, collaborate on regionally focused events and programming, and ultimately create new jobs by continuing to foster the growth of our startup ecosystem.

Strategic Initiative: Structured and disciplined mentor system.

Startup Tech Valley: Startup Tech Valley is a monthly meet up created and managed by The Lally School of Management and Technology at Rensselaer Polytechnic Institute. By sponsoring this forum, CEG supports startups with an opportunity to launch their product or service and to identify their needs whether it be financial support, team recruitment and/or secure mentors.

Strategic Initiative: Increase the flow of capital investment into Capital Region start-ups.

Venture Bplan Series: This forum in partnership with Rensselaer Polytechnic Institute is designed for entrepreneurs to prepare for and gain visibility to the region's angel and institutional investors, business service providers and the early stage business community. Impacts from 2015: 12 startup companies pitched to over 180 attendees with approximately \$1.4 million in grants and equity raised by companies within a year of presenting.



INDUSTRY ATTRACTION

CEG's multi-year, global technology industry attraction initiative is designed to target key industry decision makers and create opportunities for vigorous technology investment and expansion in New York's Capital Region and Tech Valley.

Due to the traction and success of the nanotechnology/semiconductor industry in the region, CEG, through a model of regional collaboration, continues to focus on these areas via our NY Loves Nanotech campaign. CEG is also actively pursuing opportunities for investment and convergence in additional industry sectors - Clean/Renewable Energy, Biotechnology/Biomed and Information Technology.

Highlights from 2015

Specific Industry Trade Events: Participation at key industry tradeshows has significantly raised awareness for investment and job creation opportunities in the region over the past 15 years.

SEMICON West - July 14-16, 2015 San Francisco, CA

20,000 attend this top semiconductor tradeshow; NY Loves Nanotech sent a delegation of 20 Capital Region representatives and engaged with key industry leaders from around the globe; hosted 16th Annual Dessert reception with an exclusive, high-level audience of more than 350.

SEMICON Europa - October 6-8, 2015 Dresden, Germany

2015 was NY Loves Nanotech's 12th year; tradeshow offers an opportunity to connect with and promote NY to an international audience and gain insight on industry trends overseas.



San Francisco

Dresden

NY  *Nanotech*

INDUSTRY ATTRACTION

Business Development

SEMI Industry Strategy Symposium (ISS) January 12-15, 2015, Halfmoon Bay, CA

Exposure to captive audience of 220 top semiconductor industry executives.

Industrial Asset Management Council (IAMC) Spring Forum

CEG sponsored Start-UP NY Team's private dinner for site selectors and corporate real estate executives.

SEMI Advanced Semiconductor Manufacturing Conference (ASMC) May 4-6, 2015

Saratoga Springs, NY

Hosted in Saratoga Springs for the 5th year running; event is excellent opportunity to expose 250 industry attendees to our region.

Confab Conference

May 19-22, 2015 - Las Vegas, NV

Sponsorship included 11 private one-on-one meetings with select semiconductor/PV industry decision makers.

Semiconductor Industry Association (SIA) Annual Dinner

December 3, 2015 - San Jose, CA

14th year sponsoring; event consistently represents one of best in industry for high-level networking with over 500 business industry executives.

Marketing at Albany International Airport estimated reach:

2.4 million
annual travellers

2015 campaigns promoted the region's strengths as a location that supports innovation and entrepreneurship:

"Tech Valley: Where Innovative Companies Work"; "Welcome to Tech Valley, Where New Ideas Take Off" and "NY Loves Nanotech"



WORKFORCE DEVELOPMENT/EDUCATION

Strategic Objective:

Secure the data needed by schools and colleges to understand the needs of local businesses; increase the use of best practices for career readiness and business partnerships in our K-12 schools; and increase business partnerships and practice-based educational opportunities in higher education.

Strategic Initiative: Disseminate and amplify best business-education partnership, practices & programs among K-12 schools.

Tech Valley Connection for Education and Jobs (TVCEJ): CEG and GLOBALFOUNDRIES are facilitating the formation of new business-education partnerships as well as sharing best practices in STEM education, workforce development and career preparedness training. The TVCEJ website will feature a comprehensive online tool kit that will enable educators to share successful innovative STEM initiatives; businesses to offer expertise/resources; and students, parents and educators to learn about high-tech industries and growing careers.

STEM Career Videos: CEG and the Greater Capital Region Workforce Investment Boards, in partnership with TVCEJ, launched two video vignettes showcasing local companies and exciting STEM careers for qualified local employees: Adirondack Studios and GLOBALFOUNDRIES. Funding came from a grant with the GCR WIBs to advance awareness of technical careers and serve as a business intermediary.

P-TECH Schools: Our 13-county region is home to five of the 16 Early College High School programs that were selected for the “NYS Pathways in Technology Early College High School” (NYS P-TECH) program. CEG is a formal business partner of Riverfront P-TECH, the Clean Technologies & Sustainable Industries Early College High School led by Ballston Spa Central School District and the manufacturing-focused P-TECH led by WSWHE BOCES.

WORKFORCE DEVELOPMENT/EDUCATION

Strategic Initiative: Address the gaps in our college and graduate schools.

CEG works to increase the number of business-education partnerships through the TVCEJ's higher education component.

CEG and CEN work under the Trade Adjustment Assistance Community College & Career Training grant to expand SUNY community colleges' advanced manufacturing curriculum development and workforce training programs.

Putting Careers in Education

Panel: On April 28, 2015, CEG and GCR WIBs hosted a panel discussion that drew 75 attendees from business and education. The panel of leading industry experts and professionals in workforce and education discussed improving school-business collaboration to build skills and prepare students for high-demand careers.



Read about more workforce & education initiatives including partnership with the Greater Capital Region Workforce Investment Boards (GCR WIBs); SEMI High-Tech U and the Technology and Manufacturing Job Fair in our full report online at www.ceg.org.

INFRASTRUCTURE

Strategic Objective:

More businesses are attracted to Tech Valley and it becomes easier for them to locate and expand here; CEG becomes the one-stop shop, resource and facilitator for investors considering expansion.



Next Generation Energy System Demonstration Project

CEG continued to collaborate with GLOBALFOUNDRIES, National Grid, and other regional energy stakeholders to explore innovative solutions to the region's energy generation and transmission system. The purpose is to position Tech Valley as a leader in pursuing energy models that maximize efficiencies, resiliency, and power quality and in which the most innovative technologies can be trialed.

Saratoga County Regional Traffic Study

Based on a unique partnership between National Grid, local business leaders and government officials, and spearheaded by CEG and the Capital District Transportation Committee (CDTC), a \$500,000 traffic study was funded in 2014 to evaluate the current and predicted traffic/transportation needs of Saratoga County. This study, which includes 38 intersections, will give federal, state and local officials updated data in order to better understand the infrastructure needs associated with projected growth. The study, conducted by Creighton Manning Engineers, will be completed in early 2016.

.....
The Capital Region's creative industries sector is comprised of 23,936 jobs and has more than \$800 million in total earnings
.....

CEG is a partner in the Regional Alliance for a Creative Economy. Its recent study serves as a strong foundation for the promotion of Tech Valley's creative economy with a focus on arts, culture, and tourism.
.....

REGIONAL DEVELOPMENT STRATEGY

Capital Regional Economic Development Council (CREDC)

One of ten regional councils established by Governor Cuomo in 2011 to institute a grassroots, region-based approach to the state's economic development strategy, the CREDC is co-chaired by James J. Barba, J.D., president and CEO of Albany Medical Center and Dr. Robert J. Jones, president of the University at Albany. Membership includes multiple CEG Board leaders.

Regional Economic Impact Study

CEG & GLOBALFOUNDRIES kicked off the "Analysis of New York's Capital Region High Tech Economy" on June 5, 2015. The study will analyze the emergence of Tech Valley and its implications for the regional economy, for national security, and for continuing to foster innovation-based economic development.

EB-5 Immigrant Investor Program

The EB-5 Regional Center recently established in the Capital Region is promoting local investment opportunities to interested foreign nationals. The process of designating Prime Regional Center, LLC as an EB-5 Center under a federal program was funded by a grant received by CEG from Empire State Development.

Over the past five years, the Capital Region has delivered nearly 400 projects for an investment of more than

\$1 billion

In September, the CREDC submitted its annual progress report to Governor Cuomo as part of the fifth statewide funding competition round.

Read about more regional efforts, including CEG's Local Government Council; Tech Valley & Beyond: Growing Sustainable Infrastructure at the Speed of Light; Adirondack Economic Development Partnership and the Tech Valley Business Hall of Fame in our full report online at www.ceg.org.

Upstate Revitalization Initiative:

The Capital Region embarked on a journey this year to establish a strategic decision-making framework that will guide economic development investments for years to come. As part of the Governor's Upstate Revitalization Initiative, stakeholders from across the eight-county region collaborated to develop a transformative regional economic plan and compete for \$500 million in related State funding. The CREDC formed the Upstate Revitalization Advisory Council and tasked it with guiding the plan's development. CEG interim president and CEO Michael Hickey served as co-chair with Michael Castellana, SEFCU president and CEO on the council.

Our Vision

To advance the region through focused investment through our Capital 20.20 program to improve the quality of life for those who call our region home.

The Upstate Revitalization Advisory Council worked with the CREDC and our community partners to develop customized revitalization strategies that will serve as a blueprint for regional growth and help ensure long-term economic transformation. The undertaking incorporated the goals, aspirations, initiatives, and investor value propositions of the various jurisdictions within the region. The plan articulates actionable strategies designed to positively impact the local and regional economic landscape.

Next-Tech



Gateway



Lift-off



Metro



Talent



BOARD OF DIRECTORS

OFFICERS

Chair of the Board

Laura Schweitzer, Ph.D.

University at Albany

Secretary

Christine A. Horne

GE Power & Water

Treasurer

James W. Drislane, CPA

Teal, Becker & Chiaramonte

Past Chair

Robert E. Blackman

RealtyUSA

General Counsel

Gregory J. Champion, Esq.

Bond, Schoeneck & King, PLLC

Interim President & CEO

Michael J. Hickey

Center for Economic Growth

EXECUTIVE COMMITTEE MEMBERS

Thomas L. Amell

Pioneer Bank

Gary L. Balfour

Solid Sealing Technology Inc.

John D. Bennett, MD

Capital District Physicians' Health Plan

David M. Buicko

The Galesi Group

Charles F. Carletta, J.D.

Rensselaer Polytechnic Institute

Peter K. Cosgrove

First Niagara Bank

Patricia A. Fusco

Fusco Personnel, Inc.

David Golub

Price Chopper Supermarkets

George R. Hearst III

Times Union

Hon. Kathleen M. Jimino

Rensselaer County

John F. LaRow

Gilbane Building Company

John J. Nigro

Nigro Companies

James K. Reed, MD

St. Peter's Heath Partners

Jeffrey D. Stone

Kinderhook Bank

BOARD MEMBERS

Stephen P. Baboulis

WNYT

Matthew Bette

Bette & Cring

Stephen L. Bills

LeChase Construction Services, LLC

Kenneth L. Blass

Blass Communications

J. David Brown

Capital District YMCA

Nancy E. Carey Cassidy

Picotte Companies

Antonio Civitella

Transfinder

James W. Connolly

Ellis Medicine

David S. DeMarco

Saratoga National Bank

J. Tyler Desmond

The Desmond

Hank DiMarco

GLOBALFOUNDRIES

Susan E. Farley, Esq.

Heslin Rothenberg Farley & Mesiti PC

William J. Flaherty

National Grid

Mark T. Frost

AngioDynamics

James Gaspo

Citizens Bank

Denise V. Gonick, Esq.

MVP Health Care

John Harris, Esq.

Brown & Weinraub, PLLC

Joan R. Hayner, CPA, CMPE

CapitalCare Medical Group, LLC

Maureen O. Helmer, Esq.

Hiscock & Barclay, LLP

Scott Houghtaling

Berkshire Bank

Amy M. Johnson

Capstone, Inc.

Carolyn M. Jones

The Business Review

Robert J. Jones, Ph.D.

University at Albany

David Krupski

NBT Bank Capital Region - East

Richard E. Leckerling, Esq.

Whiteman Osterman & Hanna

Jennifer L. MacPhee

Bank of America/Merrill Lynch

Shaun P. Mahoney

NextRidge, Inc.

Andrew J. Matonak, Ed.D.

Hudson Valley Community College

Robert J. May, Jr., Esq.

Lemery Greisler, LLC

Angelo M. Mazzone

Mazzone Management Group

Tracy L. Metzger

TL Metzger

Philip Morris

Proctors

BOARD OF DIRECTORS

Ann C. Moynihan

Documentation Strategies, Inc.

Stephen Obermayer

BBL Construction Services

James Pascarell

Infrastructure

Lauren Payne

Spiral Design Studio, LLC

Andrew C. Rose, Esq.

Nixon Peabody, LLP

Raymond L. Rudolph, Jr. PE

CHA

Hon. Charles E. Schumer

United States Senate

Susan C. Scrimshaw, Ph.D.

The Sage Colleges

Ben Semmes

Pitney Bowes Business Insight

Hon. Kathy Sheehan

City of Albany

Kay Stafford

CMA Consulting, Inc.

Charles P. Steiner

Capital Region Chamber of Commerce

Carolyn Stefanco, Ph.D.

The College of Saint Rose

Carl E. Stewart, III

Turner Construction

I. David Swawite

Omni Development Company, Inc.

Michael J. Uccellini

United Group of Companies

Todd H. Vandervort

The Vandervort Group, LLC

Arnold Will

Empire State Development Corporation

CEG STAFF

Michael J. Hickey

Interim President and CEO

Michael Lobsinger

Center Director, Business Growth Services – MEP

Louise K. Aitcheson

Director, Business Development – Business Growth Services

Tom Bell

Project Director, Technology Services

Ellyn Ford

Project Coordinator, Entrepreneurship

John Giordano

Investor & Membership Coordinator

Peter Lion

Senior Regional Outreach Contractor, NYSERDA EDGE Program

Madeleine Petraglia

Workforce & Education Coordinator

Andrea Swank

Director, Business Development & Marketing

Marie Toohey

Program Manager, Contracts & Reports

Holly Yost

Special Projects Coordinator

Funding Partners



IN MEMORY

◆

Jeffrey A. Lawrence

Executive Vice President
Center for Economic Growth

◆



As CEG's Executive Vice President for the past 21 years, Jeff was an experienced and motivated leader.

He tirelessly shared his intellect, knowledge, experience, good nature, smile, humor and best judgement with each of us, day in and day out. He made an incredible contribution over the past 30 years to the evolution and advancement of Tech Valley.

He will be missed dearly by all who knew him and worked with him.





CENTER FOR ECONOMIC GROWTH
anything's possible™

39 N. Pearl St., Suite 100
Albany, NY 12207
www.ceg.org
518.465.8975

Designed by Zone 5
Printed by The Alchar Printing Group