



CENTER FOR ECONOMIC GROWTH



A REGION  
ACCELERATING

2016 ANNUAL REPORT

**The Center for Economic Growth (CEG)** *has been the Capital Region's professional economic and business development engine for nearly 30 years. A private, non-profit, investor-based organization, CEG remains committed to ensuring the viability and sustainability of the region. We continue to be at the forefront of creating the vision and driving success that will generate transformational regional growth. We understand the interdependence between the diverse sectors of our regional economy and deliver practical value to our investors, allowing them to focus on growing their businesses. CEG has established a collaborative atmosphere that has enabled the region to achieve significant economic successes over the years, and we look forward to securing the future prosperity of upstate New York.*



For nearly 30 years, the Center for Economic Growth (CEG) has enabled New York's Capital Region to be a leader in innovation and experience unprecedented economic growth. Through collaboration, CEG has created a powerful alliance of "tech valley" leaders in business, government, academia and the not-for-profit sectors in our community.

The results are clear: low unemployment, revitalized communities, skilled workforce, investments in our regional economic assets and unmatched quality of life.

As CEG's new president & CEO, I look forward to the future and ensuring the region has a strong business attraction program that will create new jobs and spur investment. CEG has the structure, relationships and know-how to be the region's primary and comprehensive resource for professional economic and business development services. We are well-positioned to achieve a higher measure of performance for the Capital Region.

In 2017, we will continue to foster collaboration, nurture innovation, promote the region globally and leverage resources to recruit and retain established and emerging businesses as critical elements in the long-term, sustainable evolution of the region. We will aggressively market our community to attract

new business, strengthen existing businesses to be more competitive in the global economy through our Business Growth Solutions and Talent Connect programs, and work to advance our region's Capital 20.20 (Upstate Revitalization Initiative) plan. Our region has come a long way in terms of collaborating on growth strategies. We have an ambitious regional strategy that will propel Tech Valley into the next wave of economic success as a world leader in technology- and innovation-led growth.

CEG is committed to working together with our investors, partners and stakeholders to advance economic development efforts in Tech Valley. Thank you for your ongoing support – we look forward to working with all of you as we enter our 30th year of championing our region.

A handwritten signature in black ink, appearing to read 'A. Kennedy', written in a cursive style.

*Andrew S. Kennedy  
President & CEO*



The world, and the region, has changed quite dramatically in the last 25 years. For nearly three decades, the Center for Economic Growth (CEG) has been both a catalyst and a leader and has served among the region's most tireless advocates for widespread collaboration and growth. CEG helped guide our region from a manufacturing and government based economy to a dynamic

environment in which technology, R&D, business-education collaborations and public-private partnership create exciting opportunities for companies and residents of our region now and in the future.

This year has been particularly exciting for us because the organization not only gained a new President & CEO, but increased vigor and momentum. Under Andrew Kennedy's leadership, CEG will bring renewed focus to economic development activities to ensure continued investment, growth and improvement of our region's economic climate.

Tomorrow's Tech Valley will be a dynamic environment that continues to foster emerging technologies, cutting edge research and development and innovative public-private partnerships that will only serve to strengthen the region's

reputation as a global technology hub. The economic ramifications of this future, with CEG at the helm to advance our region's Capital 20.20 (URI) plan – are staggering in potential and promise to ripple across our communities, creating new jobs, attracting new residents and bringing new opportunity to our urban centers, suburban communities and rural towns.

I want to thank you for your investment in CEG. It is a tangible demonstration of your commitment to our region and was essential to achieving the outcomes detailed in this report, and will be vital to our continued success in 2017 and beyond. I am confident that the strong foundation laid by the past chairs, presidents, board members and staff over the past 29 years will enable us to continue to build our region's future as we look forward to this next phase.

A handwritten signature in black ink that reads "Laura Schweitzer". The script is fluid and cursive, with a large initial "L".

*Laura Schweitzer, Ph.D.  
Chair of the Board*

## Industry Attraction

*CEG's multi-year, cross-industry, strategic global marketing initiative is designed to target industry decision makers and create opportunities for vigorous technology investment and expansion in New York's Capital Region and Tech Valley and increase our region's economic self-sufficiency.*

## Key highlights from 2016:

**SEMI Industry Strategy Symposium, January:** CEG/NY Loves Nanotech attended SEMI's first executive conference of the year. It was a prime opportunity for NY representatives to network with a captive audience of 250 senior industry executives and discuss critical issues related to semiconductor manufacturing, as well as provide an update on recent industry developments in New York.



**SEMICON West, July:** NY Loves Nanotech exhibited for the first time as part of the Empire State Development/SUNY Poly pavilion. CEG and other partners represented the Capital Region, and together we promoted the state as a place to invest and do business. We also hosted NY Loves Nanotech's 17th Annual Dessert Reception, with an exclusive executive industry audience of 300.

**Industrial Asset Management Council Forum, October:** CEG sponsored the New York team's private dinner for site selectors and corporate real estate executives.



## SIA Dinner, November:

One of the best semiconductor industry events for high-level networking, CEG/NY Loves Nanotech will be attending/sponsor for the 15th year.



## Entrepreneurship

In the past 12 months, CEG's Business Growth Solutions team engaged with 51 Entrepreneurs/Start-Ups

**VentureB:** CEG's VentureB Plan Series Program, working in conjunction with our partner Rensselaer Polytechnic Institute's Emerging Ventures Ecosystem (EVE), with support from Innovate518, provided business pitch coaching to 17 start-up companies this past year. This included collaboration with RPI's REVEAL summer accelerator program, where 11 teams presented.

### **CEG continues to support the start-up and entrepreneurial ecosystem within the region through partnerships:**

- **Accelerate518:** CEG is an active partner, facilitator, and voice within this regional consortium of university based entrepreneurial programs and incubators. Accelerate518 aims to create an environment for collaboration, share best practices, and strengthen the regional ecosystem.
- **Innovate518:** University at Albany, Rensselaer Polytechnic Institute, and CEG are governing partners in our regional Innovation Hotspot, providing incubation services either directly or through regional partnerships to start-ups. An additional benefit is available tax benefits to qualifying start-ups.

- **Start-Up Tech Valley:** CEG sponsors this regular entrepreneurial meet-up series that draws over 200 attendees monthly.
- **Tech Valley Center of Gravity:** CEG joined TVCOG in summer 2016 as a SPECTRVM service provider and member. This provides CEG increased access to early stage start-ups that are developing products and technologies and grants them access to CEG's resources and networks.
- **5th Annual NYS High School Business Plan Competition:** This past May, CEG facilitated this full day event at Siena College which provided an opportunity for 64 entrepreneurial high school students to express ideas in an educationally competitive environment. In addition we engaged 25 mentors comprised of local entrepreneurs, business men and women, and academic partners who served as coaches and judges. Prizes included cash awards in the amount of \$1500, scholarship opportunities from Rensselaer Polytechnic Institute and Siena College as well as the Rick Barnet Memorial Award for Entrepreneurial Spirit.



## Workforce Development & Education



**4th Annual Girls in STEM:** Coordinated by CEG, approximately 270 girls grades four through eight attended and participated in hands-on workshops presented by STEM professionals from a variety of industry

backgrounds. Workshop projects focused on circuitry, wind power, nanotechnology and other clean energies. The event featured a keynote by GLOBALFOUNDRIES' Ryana Sikder, a senior process engineer. Participants learned about educational and career opportunities available in the fields of science, technology, engineering and math.

**“How Art and Technology Coincide: Exploring Our Region’s Creative Jobs in the Technology Sector”:** This panel discussion hosted by CEG and the Greater Capital Region Workforce Development Boards focused on the types of jobs, skills required and employer needs in the creative technology sector; how local educators are integrating creativity, design and innovation; how our region can collaborate on workforce issues; and how we can leverage creative energy from the recent upsurge in the national “Maker” movement, which has taken root in our region.



**Manufacturing Day:** As the regional Manufacturing Extension Partnership center, CEG takes a primary role in promoting and

coordinating tours and events for Manufacturing Day in the region. We’ve partnered with stakeholders, including the City of Schenectady, City of Troy, Hudson Valley Community College, Rensselaer Polytechnic Institute, Schenectady Community College, and others to hold 14 events in October.



### New York Manufacturing Extension Partnership

CEG is the Capital Regions comprehensive resource to grow manufacturing and technology business. As a regional technology center, CEG is a designated partner with the New York Manufacturing Extension Partnership program, facilitated by Empire State Development Division of Science Technology and Innovation and the National Institute of Standards and Technology. CEG's Business Growth Solutions' (BGS) charge is to assist local manufacturing and technology companies in generating new sales, creating stronger operational infrastructure, overcoming barriers to growth, and accelerating innovation.

CEG was awarded a five year grant of from Empire State Development Division of Science and Technology to represent New York State Manufacturing Extension Partnership to deliver programs and services to small and medium sized technology and manufacturing companies located in the Capital Region.



Nearly  
**\$600 million**  
in impacts since 2002

**\$73 ROI**  
for every \$1  
of funding invested

### Annual Average for past five years:

Over  
**\$40 million**  
in total average annual impact

**177**  
manufacturing companies served  
by Business Growth Solutions

Over  
**\$16 million**  
in total average annual sales  
increase or retained

Nearly  
**\$3 million**  
in total average cost savings

Services supported creation of  
**236 jobs**  
and retention of  
**1268 jobs**

## **NYSERDA Economic Development Growth Extension Partnership**

CEG continued to have one of the overall highest success rates within the NYSERDA Economic Development Growth Extension Partnership in its last year. The overall focus of the program transitioned from energy efficiency support to a comprehensive support of clean energy initiatives in-line with New York's Reforming the Energy Vision.

### **Highlights of CEG's contribution through the Program include:**

- Supported seven Community Solarize Campaigns, contributing over 112 residential solar installations
- Supported the implementation of Property Assessed Clean Energy Financing (PACE) within three municipalities, enabling commercial organizations access to an innovative financing structure for energy efficiency and renewable energy implementation
- Supported 12 clean-tech companies in their applications to NYSERDA Clean-tech programs including advanced transportation, accelerated commercialization, proof of concept center, entrepreneurs in residence, and others.



**Bioconnex:** Bioconnex is a partnership led by CEG dedicated to the development and growth of the biotechnology community in the Capital Region and Tech Valley as a premier global location for biotechnology research, education and industry. **Capital Region**

**Biotechnology Innovation Day** is the signature event hosted by Bioconnex. This year's event brought together **115 attendees**, consisting of numerous speakers and regional startups to present at this informative biotechnology conference, provided opportunities for networking and **highlighted our region's achievements, facilities and capabilities.**

**TechConnex:** TechConnex, an affiliate of CEG, is focused on building a technology community and providing comprehensive connections to technology and professional resources in the Capital Region and Tech Valley. Their **Techapalooza** event provides software enthusiasts with an opportunity to network, explore & engage with new, innovative technologies and the companies who have developed them. This year we had **350 attendees** including **22 sponsors** and **6 local startup companies** showcasing their innovative product or service.



## CEN IMPACTS

During 2015, CEG surveyed 18 Chief Executives Network (CEN) member manufacturers with more than 1,040 employees throughout the 8-county Capital Region for impacts related to services provided by CEG. Those companies realized:

**\$5,692,000**  
in increased and retained sales

**35**  
manufacturing jobs were created

**176**  
manufacturing jobs were retained

**\$1,091,820**  
in cost savings

**\$4,604,915**  
in client investments, such as plant equipment, workforce and other areas

**9.71** out of a possible **10**  
10 in customer satisfaction  
(net promoter score)

Total jobs created and retained:  
**211**

Economic impact of these jobs is  
**\$10,209,657**

A multiplier of  
**\$48,387**  
per job



*“Excellent commitment to service and innovation that help us grow to the next level gaining new business and staving off competitive threats.”*

- John Parrish, President/COO, Blasch Precision Ceramics

*“CEG provides holistic services as an MEP Center; we found this with the Lean training as well as other CEG MEP offerings. The Lean training gave our employees an understanding of the stake they have in the business and has helped them to buy into what they do for the company. This has helped Ed Levin Jewelry Inc. attain nearly zero employee turnover.”*

- Peter Tonjes, President & CEO, Ed Levin Jewelry, Inc.



Talent Connect is a service that compliments the efforts of employers in attracting

top talent to relocate into the Capital Region through a suite of non-traditional human resource tools, higher retention success, and quicker employee assimilation into the community.



Over the past year, Talent Connect has assisted 50 newly relocated professional hires from the local companies that belong to our employer consortium. On average, we assist 25 to 50 percent of the spouses/partners of these new hires find their own job.

Since the beginning of this program, the professionals who have gone through it have a retention rate of 92 percent (based on a three years of employment).

## What Employers are saying:

*“Having a relationship with Talent Connect is an effective secret weapon when it comes to attracting top talent to the region. The service allows relocating professionals and their families to quickly build the professional networks and personal support systems that many individuals are reluctant to leave when considering a new job. Everyone likes to feel like an insider; Talent Connect helps relocated professionals and their families become insiders quickly!”*

- Kathy McNamara, SHRM-CP, Manager, Employment Operations, RPITalent Connect Consortium Member

## What Newcomers are saying:

*“We only can say but good things about Talent Connect; the staff and the guidance is excellent and very unique, extremely avant-garde way to help people to know the new community and to adjust to the new location.”*

- Anonymous newcomer from Talent Connect survey

*“Talent Connect’s relationships with local organizations helped make professional connections quickly. They worked hard to understand my career goals and to find companies with a potential mutual fit...With their help, we found a vibrant neighborhood, exciting jobs and great friends. We are happy to call the Capital Region home.”*

- Luke Neubert, Senior Data Analyst, Vicarious Visions

**Regional Economic Impact study:** CEG, in partnership with GLOBALFOUNDRIES, has commissioned an economic development study, the “Analysis of New York’s Capital Region High Tech Economy”, to review and analyze the emergence of Tech Valley and its implications for the regional economy, national security and as a model of innovation-based economic development. With additional funding from National Grid, IBM, and CEG’s regional chamber and economic development partners, the study will include data and analysis that will enable CEG and its partners to develop strategies and plans to continue to grow and expand the region’s semiconductor industry cluster. The study, which is expected to be completed in early 2017, is being performed by Charles W. Wessner, PhD of Georgetown University.

**Capital Region Economic Development Council:** One of 10 regional councils established by Gov. Cuomo in 2011, the CREDC is co-chaired by James J. Barba, J.D., president & CEO of Albany Medical Center and Dr. Robert J. Jones, President of University at Albany. Membership includes multiple CEG Board leaders.



**Capital 20.20:** Capital 20.20 is a multi-pronged job growth plan designed by the Capital Region Economic Development Council (CREDC) to position the region’s economy for strong, stable and inclusive

economic expansion. This blueprint outlines five mutually reinforcing strategies that aim to build on the assets that have turned the Capital Region into upstate New York’s most vibrant and versatile regional economy, add to their momentum by establishing or strengthening synergies between them, and counter the trends that threaten to impair businesses’ growth and productivity. The goals set by Capital 20.20 remain vital for the future of the region’s economy. And these goals remain within reach. In developing the Capital 20.20, the CREDC envisioned the CEG leading the plan’s implementation. With new leadership, CEG is well-positioned to “drive this work” by serving as the economic development organization that can achieve economic prosperity by leveraging public investments with private sector resources, influence and know-how into the successful execution of Capital 20.20.

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**CEG FUNDING PARTNERS**



**Our Plan** Our region has clearly experienced economic growth. However, the time has come for a bolder approach to economic prosperity. By leveraging public investment with private sector resources, influence, and know-how into the economic development process, CEG is well-positioned to achieve a higher measure of performance for our region. To advance our region, CEG needs to increase the financial investment made by the private sector. **Our goal is to raise \$6 million over five years and use this investment to focus on five strategic initiatives.**

#### Five Initiatives

- Be the primary and most comprehensive resource for business development;
- Aggressively market our entire community to attract new businesses and investment;
- Strengthen existing businesses to be more competitive in the global market place through Business Growth Solutions and Talent Connect;
- Enhance partnerships, communication, and provide high-level networking among the regions' most influential stakeholders;
- Advance Capital 20.20, a five-year plan for our region's future.

#### We're Driven by Capital 20.20

Our regional leaders identified strategies and an implementation plan for our region's transformative economic development when they developed Capital 20.20. This plan is achievable and will make our economy stronger, more sustainable and more inclusive over the next five years. By the end of the year 2021, our five-year investor campaign will have applied what was so clearly defined in Capital 20.20. The targets are bold and challenging – and will be achieved with full regional participation.

#### To learn more, contact:

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**CEG Annual Budget**

A commitment to growing businesses and attracting new companies requires CEG to double private investment. Here’s how this money will be used.

**Accelerate: Why move to an investor model?**

Improving upon what our region has to offer requires commitment. It takes a team of committed professionals with a focused plan to grow and attract business. The campaign will double private investment in CEG and secure multi-year commitments. With five-year commitments, CEG can clearly define the sources of private funding through 2021 and strategically undertake long-term business and economic development efforts knowing it will be able to meet associated expenses. This campaign is asking all our members to consider a five-year commitment to CEG rather than the previous model for annual membership.

**ACCELERATE: A \$6 MILLION INVESTMENT IN OUR REGION**

	Current Annual Budget	FTE Current Level	Proposed Budget Increase	Proposed FTE Increase	New Annual Budget	New FTE Total
Business Development & Attraction	\$275,000	1	\$375,000	3	\$650,000	4

*Invest to be the primary & most comprehensive resource for business development in this region*

Marketing & Communication	\$375,000	2	\$175,000	2	\$550,000	4
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*Effectively communicate efforts in support of regional priorities, aggressively market the region, raise awareness on issues impacting our economy, identify opportunities for business growth, facilitate the advancement of Capital 20.20*

Annual Investment	\$650,000	3	\$550,000	5	\$1,200,000	8
5-Year Investment					\$6,000,000	

## CEG STAFF

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