Scaling New Heights

Governors of New York, New Jersey and Pennsylvania push reforms aimed at making the tri-state region one of the most competitive in the nation.

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An overhauled tax code, a revamped incentives package and a reinvigorated energy plan are making the Northeast U.S. one of the most closely watched regions of the country.

Governors Andrew Cuomo of New York, Chris Christie of New Jersey and Tom Corbett of Pennsylvania have collectively embarked on the most ambitious overhaul of public policy in the history of the tri-state region. Tired of hearing critics bash the region as “anti-business,” these three governors have set their sights on leading a spirited comeback.

Blazing perhaps the most ambitious trail of the trifecta is Cuomo, whose goal is to turn New York into a competitive force that goes head to head with Texas, Florida, Georgia and every other state that’s considered to be among the most business-friendly in the nation — even if he has to take on newly elected New York City Mayor Bill de Blasio in the process.

Both are staunch Democrats. Cuomo just happens not to share de Blasio’s “tax-the-rich” rhetoric or policies; and the friction between the two has already engendered much debate and news coverage in New York.

The linchpin of de Blasio’s new administration, so far, is a controversial tax on the wealthiest residents in the Big Apple. The linchpins of Cuomo’s plan are record-setting tax cuts and the most sweeping startup support program in state history.

Executives at Naturally Scientific and NOHMs — two firms that are expanding in Rochester — tell Site Selection that Cuomo’s reforms are working.

Comcast and Liberty Property Trust on Jan. 15 announced plans to build a second Comcast office tower in Philadelphia. Called the Comcast Innovation and Technology Center, the $1.2-billion project will be the tallest building in the U.S. outside of New York and Chicago. Construction will employ an estimated 20,000 workers.

Rendering courtesy of Comcast and Liberty Property Trust.
Both companies have chosen to expand in the Eastman Business Park in Rochester. NOHMs (Nanoscale Organic Hybrid Materials) Technologies Inc. elected to build its pilot nanoscale battery materials manufacturing facility in EBP. The project qualifies for $1.5 million from Cuomo’s Regional Economic Development Council’s initiative and is expected to create more than 100 full-time jobs in scientific, technical, operations and manufacturing areas over the next three years.

Naturally Scientific U.S., a joint venture between UK-based Naturally Scientific and New York-based BCW Chemicals, plans to bring 50 new jobs to EBP by 2016 and 170 jobs by 2018. The company will use newly developed patented technology to reproduce high-value plant and vegetable oils.

How Rochester Won 2 Prizes

Rich Delmerico, vice president of engineering and operations for NOHMs, says the company was spun out of technology originating at Cornell University labs. Founded in 2010, the firm uses novel materials in developing breakthroughs in lithium-ion battery technology.

“Our value proposition is roughly twice the energy production at half the cost,” says Delmerico. “We make batteries that are lighter and safer than traditional lithium-ion batteries.”

He notes that Rochester “is the perfect location for our business. All of the essential resources are here,” he says. “The area provides great manufacturing support. The analytical services we need are here. We are working with the Kodak Specialty Chemicals Group. The Rochester infrastructure is very friendly toward this kind of work. We moved here in August and have since expanded to about 20 employees. We have the right elements and skills sets in Rochester to bring this technology to market.”

Delmerico notes that “the technology has been here for many years, due to the presence of Kodak, Xerox, the universities and many other research organizations. I can’t say enough about the resources here. New York is funding our project through the STARTUP-NY program and NYSERDA. It has been a great journey for our company.”

Total investment to date into the project, he adds, is about $5 million. “We estimate that this will be a $70-billion market for new battery technology by 2020,” he says. “We address about 20 percent of that market. It is an enormous opportunity.”


“We looked at Houston, Florida and other locations before choosing Rochester as our home base,” Wilson says. “We looked at logistics, cost of living, and the cost of deployment of the technology. New York was very motivated to bring this technology to the state due to the job potential it offers. New York is really open for business.”

An $8-million loan though Empire State Development made the deal possible, says Wilson. “They also helped with ease of permitting, logistics and financial incentives. We wanted to be near a number of folks who could use our oils. Things all came together with the Eastman Business Park.”

When Eastman Chemicals spun out of Eastman Kodak in Rochester many years ago, notes Wilson, “it created an entire support system for our industry.”

The Naturally Scientific plant will initially have 70,000 sq. ft. (6,503 sq. m.) but is expandable to 200,000 sq. ft. (18,580 sq. m.), says Wilson. “Our expectation is that we will have about 50 employees in two years and just under 200 by sometime in 2018.”

The $10-million capital investment is expected to be operational by the end of this summer, adds Wilson.

“The Eastman Business Park location is very cost-effective for us,” he says. “It has its own utility infrastructure, and it has access to freshwater drawn from Lake Ontario. That is very advantageous for a specialty chemicals company like ours.”

Reforms Make Growth Possible


“Due to Gov. Cuomo’s cuts in spending and business-friendly stewardship of New York’s economy,
New York has a $2-billion surplus — a rare feat considering the challenges and fiscal stress that states are faced with these days,” Boyd says. “This has allowed the New York State Tax Relief Commission to make some rather bold and trend-setting recommendations to jumpstart the state economy.”

A major goal of the Commission is to cut property taxes. “Rightly so,” says Boyd, “as property taxes have been a major cost burden to not only companies, but also professionals living and working in New York City suburbs like Winchester, White Plains and throughout Long Island, where property taxes are consistently ranked among the highest in the nation. This makes recruiting and maintaining a workforce for our clients in those markets extremely challenging.”

The property tax-cut recommendation will put a two-year freeze on tax hikes and reward municipalities that consolidate services, such as police, fire, sewage and other departments.

“This is an approach like the one undertaken by our governor here in New Jersey, Chris Christie, during his first term,” Boyd says. “This property tax cut, along with a reduction of New York’s estate tax, sends a message to our site-seeking clients that Albany no longer wants to be viewed as hostile to their interests. Beyond the numbers, it sends a very positive and refreshing marketing message to the business community.”