



NEW YORK STATE SENATOR

George D. Maziarz

Diversified Manufacturing in Lockport benefits from Power Proceeds

GEORGE D. MAZIARZ June 26, 2014

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Today we announced the completion of an expansion project by Diversified Manufacturing, a manufacturing and engineering services firm in Lockport, which will facilitate the retention of 130 jobs. The nearly \$5 million project was supported by \$450,000 in funding from the New York Power Authority (NYPA).

Diversified Manufacturing, which provides a full range of engineering services for the power

generation, aerospace, medical and pharmaceutical sectors, among other industries, completed a 45,000-square-foot high bay addition to its 120,000-square-foot Lockport plant.

Senator George Maziarz said, “Diversified Manufacturing is doing great things in Lockport and their expansion is very welcome news in the community. Using power proceeds to support this kind of growth is exactly what we envisioned when we authored the law to further capitalize on our proximity to the Niagara Power Project. This project is showing how locally-produced hydropower is one of our best tools to foster economic development.”

Video footage on Diversified Manufacturing’s expansion including interviews with top company officials can be found [here](#), and photos of the facility can be found [here](#).

The NYPA funding to Diversified and other recipients is drawn from net earnings of unutilized power from the Niagara project that is sold into the electricity wholesale marketplace and applied under the Western NY Power Proceeds Act to spur capital investments and job creation in Western New York. The award to the firm, in May 2013, followed the recommendation of the Western New York Power Proceeds Allocation Board (WNYPPAB) and was among the first awards under the power proceeds program.

“Given the nature and size of this major expansion to our Lockport facility, in addition to updating and modernizing key pieces of equipment, this certainly would not have been possible without the timely assistance of the grant awarded by the New York Power Authority,” said Brian Costello, Diversified Manufacturing president and chief executive officer. “This was the final piece of the puzzle that allowed us to move forward on this necessary project, in conjunction with the valuable assistance of the Niagara County Industrial Development Agency, Greater Lockport Development Corp., Empire State Development Corporation and our long-term banking partners at M&T Bank.”

John R. Koelmel, NYPA chairman, WNYPPAB member and a Western New York resident, said, “As both a NYPA trustee and a member of the Western New York Regional Economic Development Council, I am granted a unique perspective of the dynamics of this important economic development program,” said “Today’s event marks the most significant landmark thus far reached by the program as it is concrete proof that we’re on the right track.”

Gil C. Quiniones, NYPA president and chief executive officer said, “Diversified Manufacturing was among the first businesses selected through our Western NY Power Proceeds program a little more than a year ago, so it is fitting that we can stand here today to celebrate this expansion as the first project completed under the program. It is reaffirming to see that the Power Authority’s Niagara hydroelectric plant is making a difference in such a myriad of ways as a cornerstone for economic development in Western New York.”

“The work of the Western New York Power Proceeds Board is aligning our region's priorities in growing the manufacturing sector and retaining jobs with critical funding to support cutting-edge businesses like Diversified Manufacturing,” said Anthony J. Colucci III, Western New York Power Proceeds Allocation Board chairman. “Through the allocation board, Governor Cuomo and the state legislature have provided the necessary framework for projects such as the expansion of Diversified Manufacturing to remain viable, and to support business growth in Western New York.”

Assemblywoman Jane Corwin said, “This is a wonderful example of a local business reinvesting in the community, creating and retaining good quality jobs and growing the economy. New York State must continue to encourage private sector growth and I will continue to support initiatives that make New York more competitive and business friendly. As the ranking member of the Assembly Committee on Corporations, Authorities and Commissions, I am thrilled to see the New York Power Authority allocate grant funding to

such a deserving company as Diversified Manufacturing, and I commend this Lockport business for their commitment to Western New York.”

NYSEG and Rochester Gas and Electric (RG&E) provided an \$88,000 economic development grant for electric infrastructure improvements for the expansion project. NYSEG and RG&E, subsidiaries of Iberdrola USA, serve electricity and natural gas customers across much of upstate New York.

Mark S. Lynch, president and chief executive officer of NYSEG and RG&E said, “We congratulate Diversified Manufacturing on its continued growth and its commitment to Western New York. We are pleased to have augmented NYPA's support of this project. This business expansion project is a prime example of why we have an economic development grant program—the program is an excellent catalyst for capital investment that protects and creates jobs in upstate New York.”

The company’s application for proceeds funding was evaluated under the state legislation, which stipulates that eligible applicants be located within a 30-mile radius of the Niagara project, and that proposed initiatives underpin the growth of businesses and other enterprises in support of job creation. Consideration is also given to how funding awards would be consistent with the strategies and priorities of the Western New York Regional Economic Development Council. Contracts with awardees include provisions for periodic audits to ensure that the funds are utilized for the stated economic development purposes.

Diversified Manufacturing also receives a nearly 200 kW allocation of ReCharge NY power, which was approved by the NYPA trustees in October 2012 in exchange for the firm’s commitment to retain jobs in Western New York.

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