



NEW YORK STATE SENATOR

Robert G. Ortt

Tulip Corporation Opens New \$11.7M Molded Plastics Factory in Niagara Falls

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NIAGARA FALLS, NY – A Niagara Falls manufacturer, in partnership with a Buffalo-based Brownfield redevelopment firm, honored their Western New York history today by celebrating the opening of a new facility. Officials from Tulip Molded Plastics Corporation and OSC were joined by city, state and county leaders as they celebrated the ribbon cutting for Tulip's new \$11.7 million production facility on Highland Avenue in Niagara Falls.

Located on a former Brownfield site, the new facility replaces Tulip's 125,000-square-foot manufacturing facility built in 1904, which was outdated and not equipped to accommodate future growth. Construction on the new facility began 10 months ago. In committing to the site, Tulip not only maintains its Western New York presence, but also preserves more than 80 local jobs, many of them United Auto Workers (UAW) jobs. In addition, the Niagara Falls facility offers the opportunity for future job creation.

Tulip's local workforce was a driving factor in the company's decision to remain in Western New York.

"We gave strong consideration to relocating to Midwest states, which had some advantages given its closer geographic proximity to our customers," **said Tulip CEO Craig Kellogg.**

"However, we quickly realized that we would have been hard-pressed to recreate the workforce we have here in Niagara Falls. Most of what we do is science, but how to apply the science involves know-how that is hard to develop. That know-how is in our employees' DNA. That know-how enables us to consistently produce the same high-quality products for our clients time and again. We are thrilled to make this investment in the people and the region who help our company succeed."

The new facility will be used to streamline the company's thermoplastic injection molding operation, which has applications for battery, bottled water and dairy product producers, along with custom orders. Tulip committed a total of \$10.35 million to the project, including costs related to its lease, relocation and installation of existing equipment, along with the lease and installation of new manufacturing equipment. The new facility was developed by OSC, a Buffalo-based company which owns the 82,500 square-foot building, which is under a long-term lease to Tulip. JT Vaeth Construction, also Buffalo-based, served as construction manager.

Prior to construction, OSC, in partnership with Honeywell, completed an extensive environmental cleanup of the property, all of which was administered and governed by the New York State Department of Environmental Conservation (NYSDEC). The seven-acre site of the new Tulip Facility was referenced as Track I, and this parcel was cleaned up under the NYS Brownfield Program. In total there was roughly \$25 million of remediation completed to bring the entire site, Tracks I and II, back to a “shovel ready condition.” The property was among the largest active remediation projects in New York State before its completion. Before Honeywell and OSC stepped onto the site, the property had been vacant for nearly 40 years. Along with the site’s environmental issues, the buildings and property had become a 35-acre wasteland that attracted crime, blight and physical hazards to the Highland Ave neighborhood.

“Reclaiming sites that have been an integral part of our industrial past and repurposing them to play an important role in our region’s future is at the heart of what OSC does as a company,” **said Jon M. Williams, Chief Executive Officer of OSC.** “We’re standing at what had been a significantly contaminated site and celebrating its future as a prime location for development and job creation in Niagara Falls.”

“Honeywell is proud to have been a key partner in the cleanup of this site, which is now the new home of the Tulip Corporation. This redevelopment is an excellent example of how brownfield sites can be returned to sustainable, productive reuse as a result of a collaborative partnership among government, a local developer, the community, and the private sector,” **added Bob Sikorski, Honeywell Buffalo Research Laboratory Site Leader.**

Along with the new Tulip facility, OSC and Honeywell have created three additional parcels at the Highland Avenue site: a 6 acre parcel which will be donated to the City to be used as a new public park, 21 acres of Commercial/Light Industrial development-ready property and a 1 acre parcel on the corner of Highland and Beach which is zoned for retail use. OSC is

currently exploring development options for these parcels.

“The impact of Tulip and OSC's investment into the City of Niagara Falls and its residents are threefold,” **said Niagara Falls Mayor Paul Dyster**. “This state-of-the-art facility not only reclaimed and remediated property in a neighborhood that is experiencing renewed investment not seen in many years, but preserves Tulip's presence in Western New York and its commitment to a workforce that is second-to-none. We are proud that Tulip will continue their century-old legacy in our city. That of course would not be possible without our partners in state government, and I look forward to their continued presence in our community for many years to come.”

To encourage Tulip to keep its facility in New York, Empire State Development (ESD), the state's economic development agency, also agreed to provide the company up to \$300,000 in performance-based Excelsior Jobs Program tax credits and a \$250,000 capital grant.

"When the jobs at Tulip Manufacturing in Niagara Falls, New York were scheduled to leave New York State, the UAW reached out to the Governor's Office on behalf of the entire workforce at Tulip and their families to keep the work in Niagara Falls, New York," **said Terry Dittes, United Auto Workers Region 9 Director**. "On behalf of the members and their families of UAW Local 257, we want to thank New York Governor Andrew Cuomo and his staff for making this new building possible and securing the jobs in New York State."

Last year, the New York State Power Authority (NYPA) Board of Trustees approved a Western New York Power Proceeds Allocation Board award of \$1 million to help subsidize the project. Tulip also currently receives 300 kilowatts of NYPA expansion power and 1,200 kilowatts of NYPA replacement power. The company is required to employ 70 full-time employees in Niagara Falls under an existing agreement for low-cost power allocation with NYPA.

"This completed project is a true success story. New private investment, the retention of dozens of good paying manufacturing jobs, and the potential for further development," **said State Senator Rob Ortt (R,C,I – North Tonawanda)**. "None of this would be possible without the funding from NYPA through the Western New York Power Proceeds. This is exactly why those funds are there - to keep and attract jobs to Niagara and WNY."

"It is encouraging to see our city and state work together to ensure good paying jobs remain in our area, and I am hopeful this cooperation continues for future projects," **said Assemblyman Angelo J. Morinello (R,C,I,Ref-Niagara Falls)**. "I also want to acknowledge that by choosing to keep their facility in our district, Tulip has made a commitment to our community and its residents. They see the same great quality of workers in this district as I do, and for that I am thankful."

The Niagara County Industrial Development Agency (NCIDA) awarded payment-in-lieu-of-taxes, or PILOT, incentives on sales and mortgage recording taxes over the 15-year term amounting to \$1.9 million in savings. In addition, OSC will receive \$1.6 million in tax credits from New York State under the Brownfield Cleanup Program on a total cleanup investment of \$25 million. Those tax credits will be used to reduce the cost of the new Tulip lease. National Grid, through its economic development program, has made a \$250,000 grant to offset the cost of a new sub-station and power service to the site. The region, through public and private based entities, rallied to make this project possible.

"We are pleased to be able to support a project that keeps a long-time Niagara County business in the county and growing," **said Stephen Brady, board chairman of the Niagara County Industrial Development Agency**. "We commend Tulip Corp. for their commitment to the region and look forward to witnessing their continued success."

About Tulip Corporation

From custom products to battery components, the applications of Tulip's Molded Products Division are as wide ranging and diverse as the many materials used in thermoplastic injection molding. The Molded Products Division is ideally suited to serve its varied markets. By combining engineering and design experience with the benefits of advanced technology Tulip has emerged as a leader in numerous markets.