

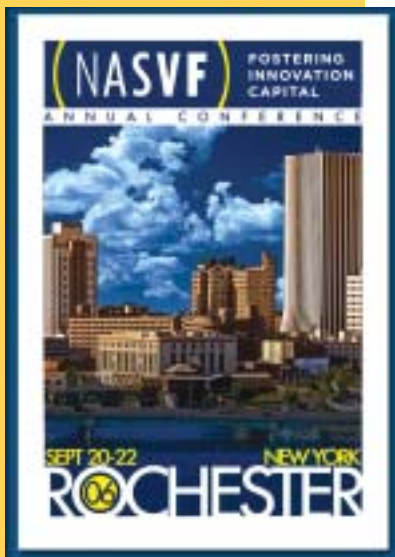
Talk It Up ROCHESTER



ROCHESTER, NY. RESOURCES FOR BUSINESS. REMARKABLE QUALITY OF LIFE.

Greater Rochester Enterprise

August 2006



NASVF Annual Conference to Draw 300 Venture Capitalists to Rochester



Sue Strommer,
NASVF CEO

On Sept. 20, more than 300 seed and venture fund managers from around the world will convene in Rochester, NY, for a two-day National Association of Seed and Venture Funds (NASVF) conference on the best practices in innovation capital.

Industry leaders will discuss topics covering the entire “food chain” of venture capital. John May, a noted angel investor and managing partner at New Vantage Group, will discuss “Valuing Startups” and Mark Heesen, President of the National Venture Capital Association, will talk about effective ways to work with later-stage VCs. Other topics will include how to raise a seed fund, how angels think and invest, and how corporations scout out tech deals.

This event, co-hosted by Greater Rochester Enterprise, Rochester Institute of Technology, and the University of Rochester, will be an excellent forum for educating local leaders on best practices in entrepreneurship and innovation. In addition, it puts Rochester on the national radar screen as an entrepreneurial hot spot.

“This is an excellent opportunity for us to showcase the assets of emerging businesses that are already succeeding in Rochester,” said Dennis Mullen, interim President and CEO of GRE.

Sue Strommer, NASVF CEO said: “NASVF chose to hold its 2006 conference in Rochester because the community is aggressively leveraging its abundant resources to compete in the new global business community of the 21st century. It’s Rochester’s teamwork among governmental, educational, and business communities that suggests it knows where it is going.”

For more information about the conference, visit www.nasvf.org, or contact Julie Evans at jevans@nasvf.org.

READ MORE ABOUT
.....Site Selection from the
Corporate Perspective

READ MORE ABOUT
.....The Institute of Food
Technologists Show

INVESTOR SPOTLIGHT
Family First Credit Union

Best practices in
innovation capital.
Join the most advanced
thinkers in the world of
seed and startup
investing, and hear how
they’re making it work.

Hyatt Regency,
Rochester, NY
Sept. 20-22, 2006.

SITE SELECTOR PRESENTS TO GRE INVESTORS



Darin Buelow

Good infrastructure, available real estate, and a deep and uniquely skilled labor force are just some of the “hooks” that draw prospective companies to a region.

So says Darin Buelow, a site selector with

Deloitte Consulting LLP in Chicago. Buelow was the site selector who worked on the recent Barilla Pasta site-selection process. Barilla eventually chose Avon, Livingston County, for its new \$96.2 million pasta-manufacturing facility.

To provide community leaders with greater insight into the nuances of business attraction, Buelow talked with GRE board members and investors about the site-selection process from the corporate perspective. In addition to infrastructure, real estate and workforce, Buelow said other “hooks” include past success, favorable statistics, low operating costs, incentives, strong economic-development strategies, aggressive marketing, and market access.

Proximity and access to customers in the Northeast, including New York City, played a big role in Barilla’s decision to locate in Avon, Buelow said. Low operating costs—the Avon site is located in a newly designated Empire Zone, with access to government tax incentives—were a consideration as well.

“Cost was absolutely a factor in that decision,” he said.

Cost reduction continues to be a strategic imperative for companies looking to expand or relocate, Buelow said. It is one of the major trends that site selectors have been tracking for the past several years. The six major issues or categories that are driving cost reduction include the availability of qualified labor; reliable utilities; readily available—“shovel-ready”—real estate; taxes and incentives; freight transportation; and the cost of raw materials.

In fact, low costs, reliable electricity, and skills and wages far outweigh quality of life for 90 percent of the manufacturing projects that site selectors handle, Buelow added.

With all of these factors—as well as numerous others such as globalization and increasingly fierce global competition—affecting a company’s site selection decision, it’s critical for communities to get on the radar screens of site selectors like himself, Buelow said.

So what can Rochester do to get on the radar screens of site selectors and corporate real estate managers? Buelow offered numerous suggestions.

First, aggressively market the region’s past successes, including the Barilla announcement.

“They put you on the map,” he said.

Rochester also needs to focus more of its marketing on its industry clusters, such as



Site selector Darin Buelow says Rochester needs to market its successes, such as the recent Barilla Pasta announcement. Barilla’s new pasta-manufacturing plant in Avon will be very similar to the company’s facility in Ames, Iowa, above. The Avon plant is expected to mark its grand opening next summer.

optics and imaging; food and beverage manufacturing; and alternative energy to overcome people’s perceptions of “Old Rochester” and the traditional Big Three of Kodak, Xerox, and Bausch & Lomb, Buelow said.

In addition, Rochester has to recognize that it’s located in a state that is challenged by New York’s high taxes and high electricity costs. To combat this, Rochester needs to aggressively market its Empire Zones—designated geographic areas that can attract companies by providing access to, or eligibility for, government tax incentives—and avoid targeting heavy electric users.

Instead, when it comes to manufacturers, leaders in Rochester can stress the region’s proximity to major metros in the Northeast and Canada, and position the region as a place where manufacturers can easily serve these markets, Buelow said.

INVESTOR SPOTLIGHT: FAMILY FIRST CREDIT UNION



With 14,000 members and \$105 million in assets, Family First Credit Union believes it has a vital role to play in the economic growth of the Rochester Region. Part of this role includes an investment in Greater Rochester Enterprise.

John Piper, president of Family First Credit Union, was aware of GRE’s work through his previous position with the Greater Rochester Association of Realtors. At GRAR, he was involved in early discussions with GRE’s founders, including Larry Peckham and Christine Whitman.

Family First saw an investment in GRE as an opportunity for the credit union to help startup businesses through its commercial-loan and business-development programs, Piper said. It’s also a chance to help the employees of startup businesses through the credit union’s various consumer programs, mortgage loans and the like.

“It was a great opportunity for Family First to be the first credit union to step forward and be an investor,” he said.

Family First, which serves members throughout eastern Monroe County, Wayne County and parts of Ontario County, is proud to contribute to the economic vitality of the Rochester Region through GRE. The credit union welcomes the opportunity to assist small companies and their employees.

“It continues to be the right thing to do,” Piper said.

ROCHESTER

GRE & Cornell Tech Farm travel to Florida for IFT trade show

In accordance with our strategic direction to further promote the Rochester Region's bio-agricultural assets, representatives from GRE and the Cornell Agriculture & Food Technology Park (also known as The Technology Farm) attended the Institute of Food Technologists (IFT) Annual Meeting and Food Expo in Orlando, Fla., in late June.

This show, which attracts food science, food technology and related food manufacturing professionals, is the world's largest annual convention of food "grown, processed, manufactured and eaten worldwide."

While at IFT, the Cornell team demonstrated how some of its current clients are bringing food technology to the table. Companies and organizations currently benefiting from these resources are the U.S. Department of Agriculture, which will be establishing a new Grape Genetics Research Center at The Technology Farm, and Cherrypharm, an emerging company that has developed an all-natural, cherry-juice nutritional supplement targeted at helping athletes recover more quickly with less muscle damage and gain greater health benefits.

"Our mission is to help businesses—from large corporations to entrepreneurs—not only gain access to the latest research, but apply this innovation to quickly cultivate next-generation food and agriculture offerings," said Dan Fessenden, executive director, The Technology Farm. "This perfect blend of support provides the springboard for ideas to move from labs to the land, the shelf, or the table."

The team made numerous contacts at the show with large, national and multinational companies that are seeking innovative food technologies. In addition, there was noted growth in the contract-manufacturing industry, as name-brand companies seek ways to outsource their production needs. Further discussions are underway to support GRE and The Technology Farm's collective business development efforts to attract new food and beverage manufacturers to this region.

Empire Biofuels to build \$87M ethanol plant

Empire Biofuels LLC this month announced that its long-planned ethanol plant will locate in the former Seneca Army Depot in Romulus, NY. The company will invest \$87 million to build the corn-to-ethanol refinery, which will produce 50 million gallons of ethanol a year. The project is expected to create 60 new jobs. This announcement further strengthens the Rochester Region's leadership role in the alternative energy industry.

Empire Biofuels Chairman Edward E. Primrose thanked local and state leaders, including Gov. George Pataki, for their support. The company is eligible to receive a renewable fuel production tax credit, which will provide a tax savings for each gallon of renewable fuel produced, up to \$2.5 million a year.

"Their commitment to renewable energy and ethanol production presents the hardworking families of the farming community with new business opportunities, and fundamentally transforms how we fuel our cars, heat our homes, and live our lives. Agribusiness helped make New York the 'Empire State,' and this announcement ensures that Empire Biofuels and agribusiness will remain a key component of our shared success for years to come," Primrose said.

"Companies like Empire Biofuels are positioned to be leaders in an emerging industry, and we are pleased to provide them with critical support to construct this new facility," Pataki said. "Through this project and others under way across the state, we can build a better energy future and a stronger economy that will benefit all New Yorkers."

A MESSAGE FROM THE PRESIDENT



The Greater Rochester Enterprise team has been focused on the importance of matchmakers, the people who help introduce and link together companies and organizations with common interests—such as related or complementary products, markets and technologies.

GRE strives to serve as a matchmaker in every way possible. Take, for instance, our sponsorship of the National Association of Seed and Venture Funds (NASVF) Conference, which is scheduled to take place here in Rochester, NY, next month, Sept. 20-22, 2006. The annual NASVF event will be an excellent forum for local businesses to learn more about best practices in innovation capital. It will also provide an incredible opportunity for venture capitalists from around the country to better understand what is happening in the Rochester Region.

The recent WindPower 2006 and Alternative Energy in New York: Expo 2006 are other examples. One of the most immediate outcomes of these events was a series of meetings that GRE representatives had with a Fortune 100 company. This company identified manufacturing resources that it needs to support the company's long-term alternative-energy strategy and is interested in GRE's matchmaking assistance to meet local Rochester-area companies capable of fulfilling this need. Next year's Fuel Cell 2007 conference, which will take place in Rochester, June 14-15, 2007, will be another opportunity to connect alternative energy companies and suppliers.

GRE facilitated the formation of the Rochester Angel Network (RAN), another example of matchmaking between investors and emerging businesses. The Network, a group of more than 25 accredited investors, seeks to connect with early-stage companies with a solid business plan and high-growth potential. Since its inception in 2005, members of this group have invested nearly \$2 million in five regional companies, including Connected Energy, whose investment by RAN was just announced last month.

So what does all of this tell us? Rochester needs more matchmakers.

In short, we need you—with all of your knowledge, experience and most importantly, connections—to find ways to match companies and suppliers so that we create win-win opportunities for Rochester-area businesses.

Best regards,

Dennis M. Mullen
Interim President and CEO
Greater Rochester Enterprise

Space Exploration

From ready-to-dig building sites
to a pivotal role in the
space program, Rochester
can support the biggest dreams.

TalkItUpRochester!

RochesterBiz.com

You know it.

Rochester is one of the World's
Top 10 Knowledge Economies.

TalkItUpRochester!

RochesterBiz.com

CONTACT US

The Greater Rochester Enterprise team is here to help you grow your business in Rochester, NY. Call us at 585-530-6200 E-mail: Info@RochesterBiz.com

RochesterBiz.com



Greater Rochester Enterprise Foundation, Inc.
100 Chestnut Street
One HSBC Plaza, Suite 1910
Rochester, NY 14604

Nonprofit Org
US Postage
PAID
Rochester, NY
Permit No. 1005

The Greater Rochester, New York Region