

**Richardson Brands
Canjo Rocks! Event**

Publicity Report

Prepared: October 1, 2010

Publications

AMSTERDAM RECORDER

ALBANY TIMES UNION

ASSOCIATED PRESS

CAPITOL MAGAZINE (Ad)

GLOVERVILLE LEADER HERALD

SCHENECTADY GAZETTE

WKTV- NBC Ch.2



September 15, 2010

Richardson Brands
101 Erie Boulevard
Canajoharie, NY



Canajo Rocks: A Celebration of the Village of Canajoharie & A Thank You to New York

Canajoharie, New York, incorporated in 1829, began as a thriving market town on the Erie Canal. It has been a center of manufacturing and the arts for nearly two centuries. In 2006, the village was devastated by the flooding of the Mohawk River. Subsequently, a manufacturing company that was the Village's largest employer for over 150 years relocated.

Richardson Brands resolved to remain and expand its operations in the Village, in line with its commitment to work with local and state officials to strengthen the economic vitality of this historic community.

Richardson has plenty of room to grow in its 180,000 square foot Canajoharie facility. In August 2010, Richardson will complete the relocation of its D&P Rock Candy production to Canajo, bringing new jobs, and making Canajo the single largest producer of Rock Candy in the world. The facility proudly carries the State of New York's coveted Good Manufacturing Practices Seal of Approval, as well as a superior rating - the highest awarded by the American Institute of Baking International.

On Wednesday, September 15, 2010 Richardson and Canajoharie thank the state and community leaders who made this growth possible.

Richardson

CANAJO ROCKS!

A Celebration of the Village of Canajoharie

Wednesday, September 15, 2010, Noon - 2pm

Richardson Brands
101 Erie Boulevard
Canajoharie, NY

Please join us in a celebration of the Village of Canajoharie, its future and history

Featuring

Entertainment

■
Picnic Luncheon

■
Remarks from your elected officials and Community business leaders

Sponsored by Richardson Brands for the Village of Canajoharie,
Leigh Fuller, Mayor
Don Butte, CEO-Richardson Brands

RSVP or more information please call: 800-839-8958

Reprinted from



The Publication for and About New York State Government

August 12, 2010

Richardson

Thank You to These Agencies and Organizations

"We're here, we're staying, and we're growing in Canajoharie"

Don Butte, CEO of Richardson Brands

New York State, Governor David Paterson

New York State Senate

New York State Assembly

New York State Comptroller

Empire State Development Corporation

Mohawk Valley Heritage Corridor Commission

New York State Housing Trust Fund Corporation
Office of Community Renewal

New York State Energy Research
& Development Authority

National Grid

Canajoharie, a small village of 600 families on the banks of the Erie Canal, and a manufacturing center since the 19th century, was devastated by a massive flood that ripped through its streets in 2006. This year Canajoharie faced severe economic challenges when its largest employer closed its plant.

Canajoharie is now on the path to revitalization as a result of cooperation between the State of New York and a major candy and food manufacturer that is bringing a substantial number of new jobs to the Village.

Richardson Brands, the world's largest producer of rock candy, and whose array of products includes Gavy Master, Beechies and Richardson Mints, made the decision to repair extensive flood damage to its Canajoharie factory and headquarters, allowing it to remain in the Village. Richardson is doubling its size at its Canajoharie facility. As a result of Richardson Brands' investments, Canajoharie is becoming known as a center of specialty candy and food manufacturing.



An array of state agencies and organizations provided support that enabled Richardson to repair its plant and to install a new high efficiency steam boiler needed for its production processes.

Richardson received support from Empire State Development Corporation, NYS Housing Trust Fund Corporation's Office of Community Renewal, Mohawk Valley Heritage Corridor Commission, NYS Energy Research & Development Authority and National Grid.

Richardson recently relocated to Canajoharie production from a plant in Connecticut that it is closing, and also is bringing manufacturing from a large candy company in Missouri it acquired.

"We're here, we're staying and we're growing in Canajoharie," says Richardson CEO Don Butte.

"As a result of the support we received from New York State, from Governor Paterson, who deserves special thanks, and from an array of agencies and organizations, we are able to remain and significantly expand our operations in Canajoharie, creating new jobs."

To recognize the revitalization of Canajoharie, and to thank the organizations who made it possible, Richardson Brands is sponsoring "Canajo Rocks" a celebration of the Village, at its plant on Erie Boulevard on Wednesday, September 15th. Public officials involved in the successful effort to restore Canajoharie's economy will join 200 invited guests at the Canajo Rocks! festive event.

Associated Press

September 15, 2010 3:15 AM ET

Gov. Paterson, other officials to attend candy celebration

CANAJOHARIE, N.Y. (AP) - Gov. David Paterson and other top state officials will be in the Mohawk Valley today for a party being thrown by a candy-maker.

Richardson Brands is hosting the celebration at its plant in downtown Canajoharie (kan-uh-joh-HAYR'-ee). The village has benefitted from state assistance which enabled Richardson to expand after Beech-Nut, a major employer, announced it was moving to a new state-of-the-art facility in rural Montgomery County.

Richardson Brands makes various hard candies, as well as GravyMaster. Today's celebration is called "Canajo Rocks!"

The company has recovered from a massive flood that heavily damaged its plant in 2006. Then, last year, it had to buy a new boiler to replace the one it had shared with the neighboring Beech-Nut baby food plant.

It received assistance from numerous sources, including \$1.7 million from Empire State Development and \$1.5 million in other state aid.

ALBANY TIMES UNION

September 13, 2010

Public officials to gather for “Canajo Rocks” celebration

By Eric Anderson

The village of Canajoharie will celebrate the expansion of Richardson Brands, its local candy plant that also makes GravyMaster, with an event Wednesday at noon at the plant, 101 Erie Boulevard, in downtown Canajoharie.

The village, which is losing its Beech-Nut baby food plant as the company relocates to a new state-of-the-art facility in rural Montgomery County, has benefitted from state and local assistance which enabled Richardson to continue operating and to expand.

The company plans to say thank you to state officials, and said it is expecting that those attending will include Gov. David Paterson, state Comptroller Thomas DiNapoli, and Empire State Development Corp. CEO Dennis Mullen. A spokesman for Paterson would only say his public schedule would be published Tuesday evening.

Richardson CEO Don Butte and Canajoharie Mayor Leigh Fuller are the event’s co-hosts.

SCHENECTADY GAZETTE

Thursday, September 16, 2010

Looming tax, fee increases dim 'Canajo Rocks!' bash

BY JASON SUBIK; Gazette Reporter

Sace Prifti, owner of a small pizzeria in the village, attended the "Canajo Rocks!" event Wednesday, hoping she would hear Gov. David Paterson or state Comptroller Thomas DiNapoli offer a solution to crushing water, sewer and tax bills the village faces when the Beech-Nut baby food plant shuts down.

She left disappointed.

"They didn't say anything, but I'm hoping they still going to do something about it because we're going to be in really bad shape. The way it is, without things going higher, we can barely, barely make it," she said. "I have two girls in college. If the water bill go up and taxes go higher there is no way I'm going to be able to afford. I will have to close the doors."

The stated purpose of the "Canajo Rocks!" luncheon event was to celebrate economic revitalization of the village of Canajoharie but it occurred only months before heavy obstacles to economic growth are set to hit the tiny community.

In November water and sewer bills charging a rate of \$19.17 per 1,000 gallons used, up from \$9.48, will be sent to the village's 850 homes and its businesses. The rate hike is meant to make up for the Beech-Nut pull-out, which hasn't happened yet but is expected by the end of the year. Beech-Nut consumes an estimated 80 percent of the village's water and sewer services.

Beech-Nut's operations are moving to a new facility in the town of Florida business park in eastern Montgomery County, which also serves as the North American headquarters for its parent corporation, Switzerland-based Hero Group. The state played a pivotal role in the relocation of the facility. Former Gov. Eliot Spitzer's administration offered \$106.5 million in incentives to Hero, including inducements from Empire State Development and tax breaks



MARC SCHULTZ/GAZETTE PHOTOGRAPHER

Gov. David Paterson speaks during Wednesday's "Canajo Rocks!" party thrown by candy maker Richardson Brands.

through the state Empire Zone program and a Montgomery County IDA agreement for payments in lieu of taxes.

State Sen. Hugh Farley, R-Niskayuna, was the only state-level Republican to speak at Wednesday's luncheon, which was mainly a Democratic Party event. He said at the time of the ground-breaking of the new Hero/Beech-Nut facility in Florida, then-Gov. Spitzer assured him Canajoharie would be held harmless by the relocation.

"That hasn't happened," Farley said. "I've been in contact with Gov. Paterson's administration about this incredible burden that has been put on the village of Canajoharie. This problem should have been taken care of up front. The executive promised that would be done and it wasn't done. This isn't over yet."

"Canajo Rocks!" was hosted by candy manufacturer Richardson Brands and featured speeches from Democrats Paterson, DiNapoli and Schenectady County Legislator and state Senate candidate Susan Savage; a letter from gubernatorial candidate Andrew Cuomo which was read aloud; and a videotaped speech played on three large flat-screen TVs from U.S. Rep. Paul Tonko, D-Amsterdam.

During his speech, DiNapoli highlighted the state's "success story" in Canajoharie, in terms of the state's partnership with Richardson Brands, which has announced its intention to stay in the village. Richardson Brands has benefited from \$18.5 million in investments by the state's pension fund, as well as millions of dollars in other state funding that helped it recover from the devastating 2006 flood.

looming tax bill

DiNapoli also mentioned his office wrote an audit report in August that illustrated the dire fate of the village when Beech-Nut leaves. The report estimates villagers will pay an additional \$2,700 in annual fees and taxes, which he called "unsustainable."

"When we released that audit report we intended it to be helpful so you can continue to build a case for what this community needs," he said.

The audit estimates the departure of Beech-Nut will increase the average village resident's water bill by \$1,047 per year and sewer bill by \$1,540. Each household is expected to pay \$120 annually for debt service on approximately \$2.8 million the village still owes the state Environmental Facilities Corporation for money borrowed for improvements made to its water and sewer plants to accommodate the needs of Beech-Nut.

Mayor Leigh Fuller said Paterson and DiNapoli were helpful in convincing the EFC, a public benefit authority, to extend the village's loan term from 2019 to 2029. Fuller said the extension helps reduce a small portion of the cost burden of losing the baby food plant. He said he was hoping Wednesday state officials would offer more help.

"The story is the same as it was. Let's face it. Instead of nine years, we're going to be paying high water rates for 19 years. That is not our answer. It is unsustainable," he said. "We have probably 25 percent of our people living near the poverty rate. This could easily force people out of the village. We had no idea what they were going to say today."

Farley said he has secured a \$500,000 grant for the village, which can't be used to pay debt but could be used for improvements to its water and sewer facilities that might lower their operational costs. He said the village needs to file the paperwork for the grant.

Farley said he had hoped the EFC could simply write off the village's debt, but Paterson told him that was illegal.

can't convert loan

Paterson said he's hoping in the last months of his administration he can find a solution for Canajoharie, but it won't be by converting its loan into a grant.

"We're looking for important export opportunities for this state and this may involve a little travel. There are a number of companies that are looking for fertile places to develop their products and Canajoharie already has that because the space at Beech-Nut will be available," he said. "Federal law prohibits loans from being converted into grants, because if it didn't then anybody who borrowed money would just say 'You should have just let me have it in the first place.' There have to be other ways to work that out."

Fuller said he doesn't know how much reworking the debt will save ratepayers on an annual basis but it's expected to save the village \$120,000 over the new term of the loan. He said the cost of operating the wastewater treatment plant might drop by 20 percent without the workload from Beech-Nut, but that will still leave a huge bill to be paid by the remaining customers including Richardson Brands.

Richardson Brands CEO Don Butte said he expects his company's water bill will increase by a factor of four, which he said his company will have to "eat" because he intends to stay in the village. He said his company now employs 142 people in Canajoharie and if he can increase that to 198 the state will grant him another \$750,000 for fulfilling his commitment to a \$2.5 million grant program. Butte said he'd like to increase employment to over 300 workers, but that will depend on whether he can acquire another food company of equal or greater size, which will be affected by the high water rates.

"I wouldn't be able to bring a condiment company here for example because it takes too much water to make condiments, or I'd have to lower the amount I could offer to buy a condiment company, which will make it harder to acquire one," he said.

Property taxes will also be going up by an unknown amount when Beech-Nut leaves. The village general fund revenues from taxes in the 2008-09 year amounted to \$909,542, of which Beech-Nut paid roughly 11 percent. In the past four years, the company has paid an average of \$101,147 each year.

Fuller said property taxes will likely go up for the rest of the village because Beech-Nut will probably demand a reduced assessment when it shuts down the plant.

"And we'll probably have to give it to them," he said.

Reach Gazette reporter Jason Subik at 843-2856 or jsubik@dailygazette.net.

September 16, 2010

Show of support

Company thanks those helping to foster its future

By **MARK ROBARGE**
Recorder News Staff

CANAJOHARIE -- Donald Butte, chief executive officer of Richardson Brands, has a one-line mantra he has been repeating for more than a year when asked about the company's future in the village.

"We're here, we're staying and we're growing" has all but become the company's motto, and Butte repeated it Wednesday to wrap up an event hosted by Richardson to thank those who helped make that commitment possible.

State and local officials -- led by Gov. David Paterson -- joined company officials and employees and area business leaders under a tent in a parking lot at the company's plant on Erie Boulevard for an event dubbed Canajo Rocks. To many who attended and spoke at the gathering, the party was symbolic of the unique partnership forged over the past several years that helped the company overcome a historic flood and the village to survive the upcoming loss of its largest employer.

"All of these groups coming together have made the situation much more manageable and the quality of life much better than it could be," Paterson said.

All told, the state has committed more than \$30 million to Richardson, both through assistance from a variety of economic development programs and direct investment from the New York State Common Retirement Fund. In return, Butte expects Richardson to double in size



Mark Robarge / Recorder staff

Canajoharie Mayor Leigh Fuller, right, greets Gov. David Paterson on Wednesday afternoon at Canajo Rocks, an event hosted by Richardson Brands outside its plant in Canajoharie to thank New York state for its support of the company and its growth.

over the next three to five years, eventually employing about 350 people, about the same number of jobs that are currently being moved out of the village as Hero/Beech-Nut relocates to a new, \$124 million plant in the town of Florida.

Butte has said he foresees his company stepping in to fill Beech-Nut's place in the community, which dates back more than a century.

"A key part of [Canajoharie's] revitalization is Richardson's ability to continue to invest and continue to grow," he said Wednesday.

The company's future in the village was anything but certain as recently as 2009. The historic June 2006 flooding of the Mohawk River caused about \$8.2 million in physical damage to the plant and its equipment and cost the company another \$8.9 million in lost business and other costs. The company recovered about \$3 million from insurance and received about \$1.1 million in flood recovery grants, but also had to spend \$3 million it had set aside for capital improvements to prepare for its expected growth.

Company officials seriously considered leaving in 2009, as negotiations with state officials for assistance bogged down while Hero/Beech-Nut was given a package of public assistance and incentives totaling about \$70 million for its new facility in the Florida Industrial Park. Richardson officials backed off their threat to move, however, after working out the details of a package expected to total about \$14 million.

"Richardson Brands could have left after the flood of 2006. Richardson Brands could have left town when Beech-Nut announced it was moving. But Richardson decided to stay in Canajoharie, and that was made possible by the wonderful support we received from the state of New York," said village Mayor Leigh Fuller. "Today, we have the opportunity to say thank you."

The state is also stepping up to help the village deal with the expected loss of about \$3.5 million in revenue from property taxes and sewer and water fees generated annual by Beech-Nut. A recent audit by the state comptroller's office found that lost revenue would translate to an annual increase of about \$2,700 in the tax bill for the average village property owner.

The state Environmental Facilities Corp., which holds bonds totaling about \$2.3 million issued in 1996 for improvements to the village's water and sewer facilities done to accommodate Beech-Nut's needs -- has agreed to extend repayment of the borrowing until 2026 at no additional interest, a move expected to save the village about \$130,000 a year in debt service costs.

Meanwhile, state Sen. Hugh Farley, R-Niskayuna, said negotiations are under way that could lead to the state forgiving the entire debt. He also said he is working on pulling together a \$500,000 grant that would provide additional help.

"We're working hard to try to take this pain, because it's something this village can't stand," Farley said.

The comptroller's office is already a major part of the partnership because of its investment of more than \$18 million in the company from the New York State Retirement Fund through a billion-dollar program created in 1999 to invest in state companies. The In-State Private Equity Program has invested slightly less than half of its funding in companies like Richardson in a partnership state Comptroller Thomas DiNapoli said has benefited all sides.

"This is a great story," said DiNapoli, "and it's a story of success because it's a story of coming together and working together."

And the commitment the state has shown to both Richardson and the village is one DiNapoli envisions for other communities facing similar problems across the state.

"We can come together and make great things happen in this great state," he said. "We have to remind ourselves that great things can still happen, great things are still to come."

And it's a commitment that has village leaders seeing a light at the end of a four-year tunnel.

"In my heart, I believe today is the beginning of a new day for Canajoharie," Fuller said.

Contact Mark Robarge at mark.robarge@recordernews.com.

The Leader-Herald

September 16, 2010

Visits Rock Canajoharie

Officials celebrate village, but tough times are ahead

By AMANDA WHISTLE, The Leader-Herald

CANAJOHARIE - The governor, comptroller and other state officials rode into the village Wednesday for an upbeat event that celebrated the village's revitalization and the promised growth of one of its largest employers, but left little good news for residents seeking a respite from eventual increases in sewer and water fees that will cost homeowners thousands.

At Canajo Rocks, an event organized by candymaker Richardson Brands, Gov. David Paterson told the more than 200 guests that Canajoharie residents embodied the spirit of New York, but that he was unable to give the village much relief from the financial trouble that's expected after Beech-Nut completes its move to the town of Florida next month.

Beech-Nut is the village's primary water and sewer user and will leave residents making up the

difference, about \$2,700 annually per household, according to an audit by state Comptroller Thomas DiNapoli, who attended the event.

Much of the cost is because the village owes the state \$2.7 million in outstanding loans after upgrading its water and sewer plant - upgrades designed to help Beech-Nut. State Sen. Hugh T. Farley, D-Niskayuna, called on the state Environmental Facilities Corp. to forgive the debt, but Paterson said Wednesday a federal law prohibits converting the debt to a grant because the EFC is a public-benefit corporation.



The Leader-Herald/Bill Trojan

At least 200 guests attended Richardson Brands' Canajo Rocks celebration in Canajoharie, including state and local officials



The Leader-Herald/Bill Trojan

Jodi Hardesty, left, of Canajoharie, and her daughter, Calista, 4, ask Gov. David Paterson for an autograph at Canajo Rocks on Wednesday.

Richardson CEO Donald Butte said Wednesday's event, held in a giant tent outside the Richardson plant, was a "celebration of the revitalization of the village," a key part being Richardson's "ability to continue to invest and grow," which has included plans to double the company's work force to more than 300 in three to five years.

The village has a record of survival and recovery, Mayor Leigh Fuller said. Not only has it withstood the departure of such past employers as the Arkell bag factory and Lifesavers production, but the community also withstood a 2006 flood and, with the help of grants, built back many of the downtown facades.

"This is a tough village," he said, adding that it's time to focus on the future and stop relying on the past.

Beech-Nut, he said, is "leaving us for a bigger and nicer plant and we wish them nothing but success," he told the group, which included many state dignitaries, Richardson Brands employees and area residents and business owners. Richardson could have given up on its operations in the village, having just relocated from the state of Florida months before the 2006 flood, Fuller said. But instead, with grants from Empire State Development, the company built back operations bigger and stronger.



The Leader-Herald/Bill Trojan

Canajoharie Mayor Leigh Fuller speaks to the gathering at Canajo Rocks on Wednesday.

In 2009, Empire State Development provided the candy manufacturer with a \$500,000 grant to install a new high-efficiency boiler after the company made a commitment of retaining its 128 jobs and creating 15 new ones.

Necessary to power the Richardson plant since the company can no longer get its water from Beech-Nut, the boiler is the first of its kind in the Northeast, running at about 95 percent efficiency.

Then in 2010, Empire State Development awarded Richardson an Upstate Regional Blueprint Fund award for \$1.69 million for its acquisition of Kansas City-based Bogdon, allowing it to keep 143 jobs and create 70 new ones over three years.

Paterson applauded the state's efforts to retain Beech-Nut's 366 jobs in Montgomery County and create 140 more at the company, but said the state "did a great deal of devastation to Canajoharie" in the process by not planning for the pain the village would feel after it lost Beech-Nut, which was not only paying 81 percent of the cost of operating the water and sewer plants, but was also the reason the state encouraged the village to go into debt for the plant upgrades. improving its water and wastewater treatment plants.

With the village still \$2.7 million in debt, the village has refinanced the debt, which will reduce the interest village taxpayers will have to pay on the loan by half, Paterson said.

Farley said he is working on a \$500,000 grant for the village that will help with operational costs of the water and wastewater treatment plants.

DiNapoli told the crowd he hoped the audit performed by his office would back the village's case and emphasize the effect of Beech-Nut's departure.

His office oversees the state Common Retirement Fund, which invests with private equity managers who seek to invest in companies. The fund is the third largest public pension plan in

the United States and has made a total of \$18.5 million in investments in Richardson Brands since 2006, helping the company to make acquisitions.

John Teeger, a Richardson Brands company official and founding partner of Founders Equity, the other major investor in Richardson Brands, said Founders takes its investments seriously and that Canajoharie's strategic location was ideal.

"We are optimistic that we are in the right place making the right product," Teeger said.

WKTV-TV NBC CH. 2

Governor's visit to Richardson Brands brings some sweet relief to Canajoharie

[Link to video- https://www.youtube.com/watch?v=yhNYMmyWXCI](https://www.youtube.com/watch?v=yhNYMmyWXCI)

Employees at Richardson Brands candy company and residents in Canajoharie are breathing a sigh of relief after a visit from Governor David Paterson on Wednesday.

A devastating flood in 2006, the exit of Canajoharie's largest employer Beech-Nut and a weak economy aren't the ingredients of Richardson Brands usually sweet recipes. Though employees say the rock candy maker has been rock solid through all of these tough times.

"The flood was a physical challenge, because you had to figure out if you could make it work again," said Richardson CEO Don Butte. "The Beech-Nut leaving was more of an emotional and investor challenge. When there was so much uncertainty, no investor wanted to put more money into Richardson when they didn't know what was going to happen to the village."

At his visit to the site, Governor Paterson ensured that Canajoharie is a priority. He also says the company is receiving \$1.5 million in New York State aid and \$1.7 million from Empire State Development, in addition to other services.

"(We will) have the Department of Transportation come in and save the roads without there being any infrastructure duties on behalf of the village," Governor Paterson said. "So these are some of the contributions we've been able to make to restore equity to a village who was trying to help their partner, the company, and the company relocated nearly 350 jobs."

After so many bad breaks, the Mayor of Canajoharie thinks things are finally looking up.

"It showed me people in Albany are working behind the scenes to help Canajoharie and we welcome that help," said Mayor Leigh Fuller.