



NEW YORK STATE SENATOR

Robert G. Ortt

New York State Homes and Community Renewal Announces \$100,000 Award To Help Cardio-Fitness Exercise Machine Maker Grow, Add Jobs, In Town of Wheatfield, Niagara County

MATTHEW MONAHAN, STEPHANIE DAVIS June 28, 2016

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New York State Homes and Community Renewal (HCR) today announced that Jacobs Ladder, the maker of a cardio-fitness exercise machine featured at gyms around the country, will be able to expand to meet increasing demand and add jobs while providing job training in the Town of Wheatfield, with the assistance of a \$100,000 Community Development Block Grant (CDBG) Small Business Program award.

HCR Commissioner **James S. Rubin** said: “Anyone looking at the products this company produces, and the number and geographic spread of its clients could be forgiven for assuming that Jacobs Ladder is already a big business. In fact they are a local, small, but growing business with big ideas and an international reach. Governor Andrew Cuomo recognizes that these relatively modest investments from the State can be put to work to help small businesses realize their potential for growth – expanding their footprint in a community, their workforce and their reach. This grant is an investment in a company as well as the future of the Town of Wheatfield.”

The Town of Wheatfield, in Niagara County, requested the \$100,000 award to accommodate the need of **Jacobs Ladder, LLC**, to consolidate and expand. Since owner Bob Palka acquired

the patent and started production 12 years ago, the company has produced more than 7,000 cardio-fitness exercise machines for customers in the United States and the international market. Jacobs Ladder has delivered products to 49 different countries and currently offers products through 78 national and two international dealerships.

Over the last three years, sales have increased by 40 percent and the company needed more space for manufacturing, inventory, storage, sales and administrative offices. As the company has grown, its workforce has increased by 25 percent – from 15 to 20 employees – since it relocated to a 35,000- square-foot vacant warehouse/light industrial building at 6292 Walmore Road earlier this year.

With the greater production capability, Jacobs Ladder plans to hire another 10 employees. Almost all of the new positions are for people of low- and moderate-income. New employees receive on-the-job training in fabricating metal, assembling materials and operating industrial equipment. All of the company's material suppliers are located in the United States, with 70 percent of the materials purchased from Western New York-based suppliers.

U.S. Housing and Urban Development (HUD) Regional Administrator **Holly Leicht** said: "Enabling thriving local businesses to expand and create new jobs is among the great success stories of HUD's Community Development Block Grant funding. The award announced today will bring living-wage manufacturing jobs back to Western New York, a crucial component in revitalizing our cities and communities."

Jacobs Ladder owner-president **Bob Palka** said: "I have faith in the workers of Western New York. They are a skilled group of hard-working people. I am grateful to Governor Cuomo and his team and our local leaders who support our efforts to expand production while expanding our local employee base."

Jacobs Ladder and Jacobs Ladder 2 (for homes and smaller spaces) are innovative cardio workout machines with ladder-type rungs on a non-motorized continuous treadmill. The machines are low-impact, and provide a cardio workout to both upper and lower body. The device is self-paced to move as fast as the person using it. The company's other product, Stairway, has a rotating, escalator-type staircase whose speed is controlled by the tension of a waist belt. The machines are being used by professional football teams, federal law enforcement agencies, branches of the U.S. military, universities, health clubs, personal training studios, and fire and police departments across the country.

Senator **Rob Ortt** said: "This project builds upon the continued effort to enhance the region's economic development. While Jacobs Ladder will be able to meet the growing demand for its cardio-fitness equipment, employment will increase and regional suppliers will benefit by providing more product – a positive development on several levels."

Assemblyman **John D. Ceretto** said: "This is another concrete example of efforts to revitalize our region, see employment expand and boost the local economy. This grant will enable Jacobs Ladder to build on its success and meet the growing demand for its equipment and I commend Governor Cuomo's team at HCR for reaching the same conclusion."

Wheatfield Town Supervisor **Bob Cliffe** said: "This grant will be a big help in bringing several manufacturing jobs here to Wheatfield, giving a jump start to Jacobs Ladder and bringing life back to an otherwise abandoned building. We appreciate the Governor's approval of our request, and that HCR sees good jobs in Wheatfield as good for all of Niagara County and Western New York. When a growing business like Jacobs Ladder thrives, we all thrive."

In the last two years, four other Community Development Block Grant projects have been awarded within Niagara County:

- Nearly \$600,000 to the Town of Niagara for the replacement of failing storm water drainage systems in the residential Belden Center area.
- \$750,000 to assist in the construction and opening of a 65,000-square-foot manufacturing facility in the Vantage International Point Industrial Park in the Town of Wheatfield. The facility will be leased to Bridgestone APM Company, which will manufacture polyurethane foam for seating for the Canadian automotive industry. Its opening is anticipated in 2017 with an estimated 60 full-time jobs being created over two years.
- \$266,000 to assist in the construction and opening of a 50,000-square-foot facility in the Vantage International Business Park in Sanborn. The facility will be leased to Borderworx Logistics LLC, which will be used as a warehouse / light industrial building for cross border freight transportation and distribution and create about 18 full time jobs over two years.
- \$100,000 to assist Platter's Chocolates move and expand its production facilities in North Tonawanda. The company is projecting the creation of 12 new full-time and six part-time jobs over the next three-to-five years.

About New York State Homes and Community Renewal

New York State Homes and Community Renewal (HCR) includes the Affordable Housing Corporation, the Division of Housing and Community Renewal, the Housing Finance Agency, State of New York Mortgage Agency, Housing Trust Fund Corporation and others. 2016 marks the fourth year of Governor Cuomo's \$1 billion statewide House NY program, whose goal is to create or preserve 14,300 affordable units by 2018. In 2015, HCR set a record for financing the creation or preservation of more than 11,000 affordable homes and apartments and was the #1 bond issuer in the nation with \$2.5 billion issued. The agency stands ready to make good on the Governor's new \$10 billion 100,000 unit House NY 2020 commitment. For more information on HCR programs and initiatives, please visit: <http://www.nyshcr.org/>

