

New Factory Slated For Buffalo, Bringing 170 Jobs

Carolyn Thompson, Associated Press

BUFFALO, N.Y. (AP) — Buffalo's steel-making history helped the city land a \$102 million factory that will produce pipes for the oil and gas industry and create 172 jobs, according to the president of the Dubai-based manufacturer.

"Buffalo was once the heart of steel manufacturing in the U.S. and most of those factors, such as logistics, infrastructure and the availability of a strong and talented workforce, that made the city ideal for manufacturing remain true today," Alita USA President and Chief Executive Ali Hosseini said.

Gov. Andrew Cuomo said Tuesday that economic incentives for the project, which had been considered for Houston, include \$2 million in funding from the sale of unallocated hydropower and up to \$6.4 million in tax credits. The New York Power Authority will consider a low-cost power allocation and the Erie County Industrial Development Agency is offering a \$2 million "forgivable loan" toward development costs of the plant.

The state last year enacted legislation to allow the sale of unused hydropower from NYPA's Niagara Hydroelectric Power Plant to be deposited into a regional economic development fund.

"Today we are seeing another example of how this funding is helping to put New Yorkers to work and revitalize the western New York economy," Cuomo said.

The 324,000-square-foot Alita factory and a 16,000-square foot lab, storage and office building are planned for a brownfield site in south Buffalo, near the city's Lake Erie waterfront. Hosseini said the factory will be the company's first U.S. manufacturing site and produce up to 150,000 tons of what are known as oil country tubular goods annually.

The average wage and benefits will total \$72,500, according to documents submitted to the state.

The startup company, in seeking a hydropower allocation, said it was looking to offset higher shipping and logistical costs than it would have had in Houston, which is closer to most of its potential customers.

Earlier this year, Welded Tube USA began making steel tubing for the oil and gas industry at a 110,000-square-foot facility at the former Bethlehem Steel site in nearby Lackawanna.

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