

BRIEFS

TMI to expand products, sales with new line

ALBANY — TMI Companies of Albany is getting into the manufacturing and distribution business with a \$1.5 million investment that will result in the creation of 20 jobs.

CEO Matt Biagiotti said Thursday that equipment is being delivered in early spring and production will start by May under its new wood product division called Amwood Products, which will make wood products and furnishings for commercial developers and retailers.

"We are selling to large commercial developers in the major metropolitan areas of the northeast," said Biagiotti, who represents the third generation of a family in construction that goes back to 1915. TMI has been around since 1965.

Production will be at TMI's headquarters at 10 Erie Blvd. in Albany, where there is a 46,000-square-foot woodworking facility.

The company expects to have up to six new products in distribution by summer.

The manufacturing of Amwood's wood products will have a "sustainability" focus since TMI is an experienced green builder, Biagiotti said.

TMI's recent projects include the New York State Education office building in Albany, the Malcolm Pirnie office in Clifton Park and Wheatfield's Restaurant and Wine Bar in Clifton Park, as well as the Bushnell Theater in Hartford, Connecticut.

Engineering firms announce merger

ALBANY — Plumb Engineering of Albany and Excel Engineering of Latham have merged to form Plumb Excel Group Engineering.

The combined firm has 40 employees and projected revenues of \$6 million for 2010.

Principals for the firm, Daniel Hampson and Karen Astorga, said in the merger announcement that they believe the increased size will allow it to compete for larger project designs.

Both firms were founded in the early 1990s and specialize in mechanical, electrical, and plumbing engineering designs for large buildings and campuses.

They have clients including local, state and federal agencies throughout New York state, architects, developers and healthcare clients including Albany Medical Center and Ellis Hospital.

NYISO envisions new control center

ALBANY — The operators of New York's electrical grid are asking state regulators for permission to borrow as much as \$50 million to build a new control center they say is needed to maintain reliable service amid emerging "smart grid" technologies.

The New York Independent System Operator wants to build the new center across the Hudson River from Albany in Rensselaer, next to its administrative offices. The current 40-year-old control center — in an unmarked building in Guilderland — would be downgraded to a backup role.

NYISO officials say the current center will be outdated by 2012.

In a filing with regulators at the state Public Service Commission, the operators said the current control center will not be able to process real-time information transmitted by a new generation of measurement devices designed to assess vulnerabilities in the grid. The devices will be installed across the grid with the help of federal stimulus funds and are designed to transmit data 60 times a second.

Grid operators also say a new control center is needed to meet tighter federal standards and to manage wind power — a fast-growing but intermittent source of power.

NYISO spokesman Thomas Rumsey said the borrowing will cost the average ratepayer about \$8 over the 20-year life of the loan.

NYISO decided against renovating the old control center, telling regulators that would be more complex and costly — \$60 million.

Assemblyman Richard Brodsky, a Westchester Democrat who has publicly criticized NYISO for a market structure he said results in inflated electricity costs for consumers, said the operators should not be allowed to borrow any money until there are fundamental market reforms.

"They legitimize a fundamental rip-off of New Yorkers," Brodsky said. "They shouldn't be given a penny."



M. SPENCER GREEN/THE ASSOCIATED PRESS

Kelly Norby uses her BlackBerry to compare prices and find coupons before making a purchase at a Target store in Wheeling, Ill., last week.

Shop 'til you drop, but keep that smart phone handy

BY EMILY FREDRIX
The Associated Press

MILWAUKEE — The rise of smart phones, with their go-anywhere Web access, is changing the shopping game this holiday season.

Tech-savvy shoppers are finding it easier than ever to work the system to get the best deals.

They're scanning barcodes with their cell phone cameras to load into price comparison Internet sites while standing in store aisles, using GPS to find discounts at nearby stores and flashing electronic coupons straight from their phones.

The ease of real-time price comparisons creates competitive pressure for retailers that pushes prices down for everyone. Retailers who resist risk losing a sale to a rival even while the customer is still in their own store.

Briana Carter, 31, recently spied a \$40 pink laptop cooling pad at a Kohl's department store. She scanned its bar code with her iPhone and using an application called ShopSavvy found the same thing for \$25 at online retailer Amazon.com.

While still inside Kohl's, Carter, of Tipton, Ind., bought the pad from Amazon through her phone.

Shoppers definitely have discounts on the brain. Unique visits to the top 10 coupon and rewards sites rose 6 percent from October to November to 70.4 million, Nielsen Co. research said.

Merchants, already struggling with weak sales and a mediocre holiday season in this tough economy, are forced to play along, said David Bassuk, a managing director in the retail practice at consultancy AlixPartners.

Macy's Inc., The Gap Inc., and many others are paying a growing list of sites to list deals online.

A few years ago, the Web site www.savings.com listed coupons for about 1,000 re-

tailers; that's up to 4,000 now.

"The retailers are very, very hungry right now, so the consumer is in the driver seat," Bassuk said.

Sales to people who click through the savings.com site are expected to double to \$200 million this year from last.

"Would they rather have every consumer come directly to them and pay full price? Of course, but the reality is it doesn't happen that way," said savings.com CEO Loren Bendele.

Currently, about 18 percent of cell phones are smart phones; they're on track to be the majority in the U.S. by 2011, Nielsen says.

Waiting for them are hundreds of applications made by third-party companies to root out discounts and coupons. Many of the apps are free.

◆ CouponSherpa uses a shopper's location to find coupons for nearby stores. No printer needed: just show the coupon at checkout.

◆ ShopSavvy scans bar codes with a phone's camera to check prices online.

◆ Pricegrabber.com's new iPhone application lets shoppers compare prices and buy from Web sites anywhere.

Kelly Norby, 30, of Vernon Hills, Ill., goes online and uses her phone to save on everything from groceries to holiday gifts. If she's in the grocery store and spies an item she doesn't have a coupon for, she whips out her phone to check coupon.com.

"I'm sort of giddy about it," she said of her deals. "It's like you've won something."

With these tools in consumers' hands, it's hard for retailers to get anyone to pay full price.

"Are you giving away discounts for people who would otherwise have bought it from you anyway? That's the challenge," said Praveen Koppalle, a business professor at Tuck School of Business at Dartmouth. But worse? Losing the sale altogether.

SCOTIA

Local caterer chosen to feed workers building chip plant

BY AMEERAH CETAWAYO
Gazette Reporter

As he goes after a new segment of the catering business, Schenectady restaurateur Angelo Mazzone will be the force feeding the workers building the \$4.2 billion microchip plant coming to Saratoga County.

Mansion Catering, the catering arm of Mazzone's restaurant and banquet business, will provide food services for the 1,300 construction workers and administrative employees of M+W Zander U.S. Operations, the designer and construction manager for the GlobalFoundries facility at the Luther Forest Technology Campus. The plant, known as Fab 2, will bring 1,400 permanent jobs to the area when it opens in 2012.

Mazzone will hire 10 to 20 employees in the next three months to fulfill the contract, staffing the kitchen with cooks, servers, cashiers and drivers for delivery.

The kitchen Mansion Catering will work out of is currently under construction and will be operational by next month, Mazzone said.

Workers will be fed in a 9,000-square-foot serving tent near the kitchen.

"They only have a half hour for lunch so they needed something right on the park where they can get in and out as quickly as possible," Mazzone said.

Mazzone Management has hired Amanda Piccolo to oversee much of contract, a move that will help the company manage the contract in addition to its catering and restaurant business. Piccolo was the director of support services for Chartwells, which is a part of the Compass Group, the largest food service company in the world.

Mazzone said Piccolo will also be responsible for building his new business segment — feeding employees that are in buildings as opposed to doing high-end catering and catering at restaurants.

"It's a new thing for us," said Mazzone, a more than 20-year veteran of the Capital Region's restaurant scene.

Mazzone Management caters private weddings, fundraisers and corporate or social events, and is responsible for the Glen Sanders Mansion in Scotia, which houses Angelo's Tavolo, two ballrooms and an inn; Aperitivo Bistro, a wine bar next door to Proctors in Schenectady; and Angelo's 677 Prime, a steakhouse and wine bar in Albany's theater district.

The company also owns and operates Prime at Saratoga National, at the Saratoga National Golf Club, and holds a multimillion-dollar contract to handle food services at the historic Hall of Springs at the Saratoga Performing Arts Center.

Government scraps plan to unload its shares of Citi stock

BY DANIEL WAGNER
AND STEPHEN BERNARD
The Associated Press

WASHINGTON — Everything was set: The government would begin selling its stake in Citigroup, and the bank would sell new stock and pay back bailout money. Both sides could untangle a relationship that neither saw as ideal.

But the Treasury Department was forced to reverse its plan to unload its Citi shares, showing that both the government and the bank badly misjudged investors' appetite for the bank's stock.

Citi was competing with Bank of America and Wells Fargo, both of which were also selling stock to raise money and were considered in better financial health than Citigroup. Their offers were more warmly received by investors.

Plus, Citi's offer came on the same day that a major investor, the main sovereign wealth fund of Abu Dhabi, filed a multibillion-dollar lawsuit accusing the bank of misrepresenting its financial health in 2007.

Banking industry analysts said Thursday the government should have seen the cool reception coming.

"Either these guys didn't have any advice, or they didn't take the advice, or the whole thing was done in such haste that they didn't even consider it," said Christopher Whalen, managing director of the financial research firm Institutional Risk Analytics.

The government has been eager to unload its stake — and under pressure from the bank to do it, too — in order to show the U.S. has confidence in Citi, which holds the largest remaining chunk of bailout money.

Disentangling itself from Citigroup would help the Obama administration fight the perception that it's been coddling Wall Street banks.

"All else being equal, we'd rather not own a chunk of Citi," said Douglas Elliott, a senior fellow at the Brookings Institution and former investment banker. "It's not what we want our government doing."

Treasury declined to discuss the details of its decision.

Citigroup had announced plans to sell 5.4 billion shares of stock at \$3.15 a share to help repay \$20 billion in government bail-

out money. That price was 9 percent below where shares were trading before the announcement.

It's also 10 cents a share below the price the government paid for its shares, which meant Treasury stood to lose hundreds of millions of dollars by selling its one-third stake in the bank.

On Thursday, Citi stock fell another 7 percent, closing at \$3.20. Investors doubted that the market could have absorbed the additional \$5 billion in stock Treasury wanted to unload.

"The market is not buying the Citi story right now," said Alois Pirker, a research director at financial consultancy Aite Group.

While some analysts conceded there was no way the government could have anticipated the big lawsuit, they said the Treasury never should have considered selling its stake while the bank was making such a big offer as well.

"Why did both Treasury as well as Citi's capital markets people misread the market?" asked independent banking consultant Bert Ely.

"There's a bit of egg on everyone's faces."

Analysts said Citi didn't have much of a choice but to sell at such a low price. Investors are still uncertain about Citi's health.

After accounts for preferred stock dividends and the debt exchange that gave the government a stake in the bank, Citi lost \$3.24 billion in the third quarter. Its loan losses are still piling up, and it still has to find buyers for some of the risky investments that got it into this mess.

Trying to sell its own stock at a higher price could have caused a bigger disaster — too few investors willing to buy in. Citi had to get the deal done or be left further behind competitors, analysts say.

Already struggling to keep top talent and attract new customers, Citi would have been the only Wall Street bank still stuck under restrictions tied to government bailout money, including caps on employee pay.

The last remaining national banks that had yet to pay back bailout money, Bank of America and Wells Fargo, both made their stock offerings in order to do just that.

CAPITAL REGION

Area jobless statistics looking slightly better but state remains weak

BY AMEERAH CETAWAYO
Gazette Reporter

The Capital Region's jobless rate fell in November, improving to 6.7 percent from 7 percent, according to the state Labor Department.

But for those looking for signs of a recovery, there is still far to go. Part of the reduction in the unemployment rate is simply fewer people looking for jobs. And the area's unemployment rate was still the highest November since record keeping began in 1990, well above the 5.3 percent recorded a year ago.

It is too early to establish a clear trend and the economy remains weak, according to state labor market analyst James Ross.

Nonetheless, unemployment rates typically do drift higher this time of the year, he said, and the drop from October to November is a promising sign.

"Part of the drop is the departure of people from the labor force," Ross said. The Capital Region shed 3,700 from payrolls over the year and 1,100 from October to November as people gave up looking for work, went back for educational training, or decided to remain in college rather than face a bearish market for employment.

"In terms of job counts, we also saw a narrowing of the job losses in November from October, but just to moderate that, it's because last year was so bad," Ross said.

Employment levels in the Albany area are still down for the year at 2.3 percent, but nationwide, the decrease was significantly worse: 3.4 percent.

In the private sector, the Capital Region fared better, only down 2.2 percent for the year compared with the nation as a whole, which was down 4 percent.

Though the jobless rate dropped for most of the area, unemployment was higher in areas more dependent on seasonal business like Fulton and Montgomery counties, which both saw slightly higher rates.

In Fulton County, the number of unemployed did not increase in November but the number of people with jobs decreased, reflecting the seasonality of its labor market, Ross said.

New York state's seasonally adjusted unemployment rate fell to 8.6 percent in November from October's 9 percent. A year ago, state unemployment was at 6.1 percent. The national unemployment rate was 10 percent in November.

The number of seasonally adjusted private sector jobs in New York state decreased over the month by 2,500, or less than 0.1 percent, to 7,052,200. Total jobs including both private and public sectors decreased by 6,100

Local unemployment rates

Unemployment rates for the Capital Region counties in November 2009, October 2009, and November 2008:

ALBANY:	6.4%	6.8%	5.2%
FULTON:	9.5%	9.0%	7.4%
MONTGOMERY:	8.9%	8.8%	7.3%
RENSELAE:	7.0%	7.4%	5.5%
SARATOGA:	6.3%	6.4%	5.0%
SCHENECTADY:	7.3%	7.6%	5.4%
SCHOHARIE:	7.8%	7.5%	6.7%

SOURCE: STATE DEPARTMENT OF LABOR

to 8,547,400.

The private sector job count has declined in 14 of the past 15 months, the Labor Department said. Since last November, 211,600 jobs in the state were cut across every sector in the economy except for educational and health services, which added more than 40,000 jobs between November 2008 and November 2009.

The government sector continues to dominate the state's economy.

New York state's personal earnings growth came from its state and local governments to a greater extent than any other state in the nation, the U.S. Bureau of Economic Analysis said Thursday.

Personal incomes for New York residents continued to rise, although more slowly, in the third quarter, increasing 0.7 percent to more than \$937 billion. Second quarter personal incomes grew 3.4 percent, going from \$900 billion to \$930 billion. But personal incomes have yet to match the \$953 billion in the third quarter of 2008.

State officials said Thursday that some may say the recession is ending, but there are still people struggling to keep a roof over their head and put food on the table. They said people can apply for assistance online at myBenefits.ny.gov, a Web site that helps people find out what benefits and services they are eligible for.

Residents in Albany, Schenectady, Greene, Warren and Washington counties can already submit a food stamp application through the Web site.

The number of people receiving food stamp benefits in the Capital Region grew 27 percent to more than 95,000 from September 2008 to September 2009, the state said. Enrollment in New York state grew to an all-time high of more than 2.5 million recipients in that same period.

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