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**NEWS RELEASE: For immediate release**

**JAMESTOWN BPU ANNOUNCES FLEX RATE AGREEMENT WITH  
SYSCO FOOD SERVICES OF JAMESTOWN, LLC**

**“We are pleased to announce the Jamestown Board of Public Utilities and SYSCO Food Services of Jamestown, LLC have reached a four year flexible electric rate agreement,” announced Walter Haase, BPU General Manager and John Fitzgerald, SYSCO’s Vice President of Warehousing.**

**The flex rate is crucial to sustain SYSCO’s competitiveness and is based upon the business’s highly concentrated sales demographic (85%) located outside of Chautauqua County. It will be used to help offset SYSCO’s significant embedded transportation costs (including fuel and maintenance costs associated with maintaining their transportation fleet) required to service export customers.**

**“This flex rate will allow us to keep our pricing to customers both inside and outside Chautauqua County more competitive. Most of our customers are located in either the Buffalo market or Pennsylvania, which is where our competition has their warehouses,” explained Fitzgerald.**

**SYSCO supports the economic development of Jamestown and has recently acquired Hy-Grade Distributors, a wholesaler of paper, packaging and janitorial supplies. A key component of that acquisition included several new product lines comprising over 2,000 new items. This not only enabled SYSCO’s Jamestown facility to expand its product line, but also is estimated to generate nearly \$12 million in new yearly sales.**

**Currently, SYSCO Jamestown has 112 warehouse, warehouse management, and transportation employees and over 300 overall. With its recent acquisition and anticipated sales growth, SYSCO has hired five new drivers and is looking to hire two additional drivers in the near future. SYSCO just finished taking applications for warehouse associates and expects to bring on six new employees within a few weeks. To qualify for the BPU Flex Rate, SYSCO will commit to retain 110 employees in the first year of the Flex Rate Contract and at least 100 distribution employees for the duration of the agreement.**

**SYSCO is committed to improving its facility in Jamestown. Over the term of this agreement SYSCO will invest at least \$250,000 of capital in such projects as: (1) new furnaces for the warehouse area, (2) a new rubber roof for its large freezer and cooler areas, and new warehouse lighting.**

**Mayor Sam Teresi acknowledged that, “The City of Jamestown, through its Board of Public Utilities, is once again pleased to assist with the retention and expansion of a major business in the Town of Ellicott. These capital improvements are a demonstration of SYSCO’s continued commitment to the long-term viability of the Allen Street facility, which will have a positive impact on the entire Greater Jamestown area. This is truly another great example of what can be accomplished through economic development efforts that extend beyond the city line.”**

**Haase indicated that SYSCO’s energy costs represent a significant portion of their total cost structure and nearly half of their 280,000 square foot facility requires refrigeration. SYSCO’s total annual utility expenditure is nearly \$500,000 and the company will consume approximately 6,000 megawatt hours annually.**

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