

PLEASE NOTE - We welcome public comment on the items on the following agenda. To ensure maximum opportunity for participation, speakers representing themselves may speak for up to 2 minutes each, and those representing groups may speak for up to 4 minutes (1 speaker per group). Speakers' comments may address only items considered at today's meeting. Materials relating to matters that are scheduled for discussion in open session will be available at the meeting and will be posted on ESD's website prior to the meeting in accordance with the Public Officers Law

NEW YORK JOB DEVELOPMENT CORPORATION

Meeting of the Members

Thursday

June 27, 2013 – 12:30 p.m.

AGENDA

CORPORATE ACTIONS

1. Approval of Minutes of the January 31, 2013 Directors' Meetings
2. Authority Officers - Appointment of Officers and Appointment of the Title of ESD General Counsel as the Authority's Ex-Officio General Counsel
3. Annual Financial Reports – Approval of Certain Annual Financial Reports and Authorization to Take Related Actions
4. Mission Statement, Related Performance Measurements and FY 2012-2013 Performance Measurement Report – Reexamination of Mission Statement and Related Performance Measurements; Proposed Modification of Performance Measurements; and Acceptance of FY 2012-2013 Performance Measurement Report

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK JOB DEVELOPMENT AUTHORITY

d/b/a Empire State Development Corporation
Meeting of the Members
Empire State Development Corporation
633 Third Avenue
New York, New York 10017

and

NYS Department of Labor
State Campus
Building 12, Room 500
Albany, New York 12240

and

New York State Department of Financial Services
1 State Street
New York, NY 10006

January 31, 2013

MINUTES

Members Present:

Kenneth Adams, Commissioner of DED – Chairman
Adam Barsky
Andrew J. Maniglia
Anthony Albanese – Designee – New York State
Department of Financial Services
Stephen McGrattan, Designee – NYS Superintendent of
Agriculture and Markets
Mario Musolino, Designee – NYS Department of Labor

JDA Staff:

Maria Cassidy, Deputy General Counsel
Eileen McEvoy, Corporate Secretary
Kathleen Mize, Controller
Frances A. Walton, Senior Vice President and Chief
Financial Officer

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Present for ESD: Joseph Chan, Executive Vice President – Business Development
Andrew Flamm, Economic Development Specialist
Amit Nahalani, Financial Analyst
Maxwell Padden, Asset Manager
Antovk Pidedjian, Senior Counsel
Paula Roy, Vice President – Portfolio Management
Ray Salaberrios, Senior Director – Economic Revitalization
Susan Shaffer, Vice President – Loans and Grants

Also Present: The Press
The Public

The meeting was called to order at 12:36 p.m. by Chairman Adams. It was noted for the record that notice to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Chairman Adams then set forth the guidelines regarding comments by the public on matters on the Agenda.

Chairman Adams then entertained a motion to approve the Minutes of the November 16, 2012 Members’ meeting.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT NOVEMBER 16, 2012 MEMBERS’ MEETING OF THE NEW YORK JOB DEVELOPMENT AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on November 16, 2012 as presented to this meeting, are hereby approved and all actions taken by the Members present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

* * *

Mr. Pidedjian then asked the Members to approve the proposed rate structure for maximum compensation for outside legal counsel.

Among other things, Mr. Pidedjian explained that on occasion where an outside firm possesses a specialized expertise but has a higher rate than what is represented here, it is advisable that that firm be paid at a blended rate whereby all attorneys will be paid the same rate per hour regardless of status.

Mr. Pidedjian further explained that where a third party has agreed to reimburse JDA's expenses, it is proposed that JDA pay an outside law firm's full-on discounted rates.

Mr. Pidedjian added that these rates are in lock step with ESD's current compensation rates for outside counsel.

Mr. Pidedjian further stated that the rates may seem a little low right now and that is because they were set in 2005. If they are adjusted upward, Mr. Pidedjian stated, the Board will be advised of that adjustment.

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Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK STATE JOB DEVELOPMENT AUTHORITY– Approval of Compensation Rates for Outside Counsel

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the New York Job Development Authority (“JDA”), JDA is hereby authorized to compensate outside legal counsel as follows:

Maximum Rate Structure for Outside Counsel

Partner/Of Counsel	\$400/hr
Senior Associate (5 th year and up)	\$375/hr
Mid-level Associate (3 rd -4 th year)	\$350/hr
Junior Associate (passed bar exam – 2 nd year)	\$300/hr
Law Clerk (law student interns; first year associates pre-bar exam passage)	\$220/hr
Legal Assistants	\$90/hr; and be it further

RESOLVED, that the Chief Executive Officer and General Counsel or, in the General Counsel’s absence, the Deputy General Counsel or their designee(s), and each of them hereby is, further authorized, as determined to be necessary in their discretion, to enter into alternate compensation arrangements with outside legal counsel at blended rates of up to \$400.00 per hour for all attorneys (excluding Law Clerks and Legal Assistants); and be it further

RESOLVED, that that the Chief Executive Officer and General Counsel or, in the General Counsel’s absence, the Deputy General Counsel or their designee(s), and each of them hereby is, further authorized to amend JDA’s maximum compensation rate schedule for outside counsel to permit a firm to charge its normal rates for legal services and expenses in those instances in which JDA will be fully reimbursed for such costs by a third party.

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Mr. Pidedjian then asked the Members to adopt the Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts.

Mr. Pidedjian provided the relevant background information with regard to this request noting, in part, that said guidelines are mandated by the Public Authorities Law and they oversee the contracting for goods and services by JDA.

Member Barsky asked if the State will be adding Veteran owned companies to the MWBE requirements. He stated that he is aware that the federal government is doing this. Mr. Pidedjian stated that he knows that it is currently under discussion. Ms. Walton stated that a determination has not yet been made on this issue.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK JOB DEVELOPMENT AUTHORITY – Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the New York Job Development Authority, the proposed Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, a copy of which is attached to the materials, be and hereby is approved and adopted as of the date hereof, and the Chief Executive Officer or his designee is authorized to promulgate the said Guidelines in electronic form and other media for the use of the staff of

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the JDA and the New York Urban Development Corporation d/b/a Empire State Development, and to take such other and further action as may be deemed necessary or appropriate to effectuate the foregoing Resolution.

* * *

Next, Mr. Kwon presented an information item on changes to the JDA Loan Underwriting Classification System.

Among other things, Mr. Kwon explained, the new system makes loans easier to identify and it helps JDA manage risk better. Mr. Kwon further explained that there are three easily identifiable characters to the system: (1) whether the borrower has sufficient cash flow to pay back the loan, (2) the probability of default and (3) in case of default, whether there is enough collateral and personal guarantee to pay back the loan.

Once the loans are classified this way, Mr. Kwon continued, it is easier to allocate each loan to its respective risk pool. In this risk pool, Mr. Kwon further noted, JDA has allocated 80 percent in dollar terms for good, low risk loans, ten percent for moderate risk loans and the remaining ten percent for high risk loans.

The Chairman stated that the staff had spent a considerable amount of time on this and asked if the Members had any questions or comments. Member Albanese stated that it looks good. Member Maniglia stated that he is familiar with this because it was covered in the Finance Committee meeting and therefore, he does not have any questions on it.

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Member Barsky also commented favorably with regard to the classification system.

The Chair noted that no action is required by the board as the presentation was only informational.

The Chair then called upon Mr. Salaberrios to present the Giumenta Corp. d/b/a Architectural Grille JDA Loan item for the Members' consideration.

Mr. Salaberrios then explained that the Members were being asked to approve a \$1,491,000 JDA loan to assist in the purchase and installation of machinery and equipment in the Company's Brooklyn facility. Mr. Salaberrios went on to note that the company's business focuses on ornamental handcrafted metal work that stresses the importance of quality.

Among other things, Mr. Salaberrios explained that there is a proposed Bank of America loan of \$745,500 and Borrower Equity in the amount of \$248,500.

Mr. Salaberrios further noted that the Company was greatly impacted by Hurricane Sandy incurring over \$6,000,000 in damages, with 85 percent of the Company's machinery and equipment rendered useless by the corrosive effects of the Gowanus Canal saltwater.

Mr. Salaberrios explained that despite having filed insurance claims in the amount of \$6,000,000, the only money the Company received was \$250,000 for flood insurance.

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To cover the insurance shortfall, Mr. Salaberrios continued, the Company plans to make it up with JDA proceeds, an SBA loan and income and cash with its business operations.

The Company, he noted, has been working feverishly to restore its operations back to normal.

Mr. Nihalani then provided information with regard to the Company's financial status explaining, in part, that prior to Hurricane Sandy, Architectural Grille was a very financially sound company.

Among other things, Mr. Nihalani added that the pre-tax income and net income have all been increasing and its pre-tax profit margin is 11 percent, which is above the industry medium.

Mr. Nihalani then noted that there are concerns with regard to the Company as follows: (1) can it be as profitable as it was prior to Sandy and (2) can it retain its customer base.

The Company, Mr. Nihalani continued, informed JDA that they have kept their customers apprised of Sandy's impact and how they plan to restore operations. The Company, he added, plans to be fully operational by June 1st.

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JDA, Mr. Nihalani explained, also reached out to two of Architectural Grille’s customers and the customers confirmed that Architectural Grille is the market leader in that industry. Furthermore, Mr. Nihalani added, these customers order 90 to 100 percent of their grills from the Company and plan to do so in the future.

Mr. Nihalani stated that there are \$950,000 worth of projects currently in production by the Company and another \$290,000 in projects that are pending approval.

Mr. Salaberrios ended the presentation by noting that with JDA’s assistance, it is believed that this loan will go a long way in helping the Company get back to its position of prominence and rehire 20 of the full-time employees that were laid off due to Sandy.

Following the full presentation, Chair Adams called for questions or comments. Members Maniglia and Albanese commented favorably with regard to the loan. Member Musolino asked for the total number of employees. Mr. Salaberrios stated that at one point the company employed over 50 people but had to lay off 20 full time employees. He added that with the approval of the credit and the purchasing and repairing of existing machinery, the company expects to be up and running by June 2013.

The Chair added that the Company currently has eight full-time and 16 part-time employees in this interim recovery period and expects to add 20 full-time employees by early Summer.

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The Chair then asked Mr. Salaberrios how Architectural Grille connected with JDA.

Mr. Salaberrios stated that he and Andrew Flamm have been working in the New York City area and have spoken with organizations affected by Sandy. He went on to note that Mr. Flamm met with individuals at Architectural Grille and JDA also received a referral from one of the investor providers in New York City who was working with the Company.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Brooklyn (New York City Region – Kings County) – Giumenta Corp., D/B/A Architectural Grille – New York Job Development Authority Special Purpose Fund Direct Loan Project – Machinery & Equipment Loan -- Authorization to Make Loan and to Take Related Action

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Machinery & Equipment Loan to Statewide Local Development Corporation for the benefit of Giumenta Corp D/B/A Architectural Grille for an amount not to exceed \$1,491,000 or 57% of total Project costs, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loan, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loan as he or she may deem appropriate in the administration of the Loan; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

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RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

* * *

Mr. Salaberrios then asked the Members to authorize JDA to apply as a non-traditional lender under the USDA B&I Loan Guarantee Program.

Mr. Salaberrios set forth the background information with regard to this request noting, in part, that the purpose of the United States Department of Agriculture’s Business and Industry Loan Guarantee Program is to improve, develop or finance businesses, industry employment and improve the economic and environmental climate in rural communities.

Mr. Salaberrios went on to explain, among other things, that projects presented for approval under the Business and Industrial Guarantee Program must be engaged in a business that will provide employment and improve the economic or environmental climate of the community in which the applicant is located.

Following the full presentation, the Chair called for questions or comments. Member McGrattan, speaking on behalf of Commissioner Aubertine, lent his support for JDA’s application to the B&I program adding that it is a great program.

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Member McGrattan further stated that many of the agricultural businesses and food processing businesses rely heavily on the B&I program to provide loan guarantees and the fact that JDA will now have the ability to participate in this program is great.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK JOB DEVELOPMENT AUTHORITY – Approval for JDA to Apply as a Non Traditional Lender under the USDA B&I Loan Guarantee Program

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the New York Job Development Authority, the proposed application by JDA as a Non Traditional Lender under the USDA B&I Loan Guarantee Program, be and hereby is approved and as of the date hereof, and the Chief Executive Officer or his designee is authorized to take such other and further action as may be deemed necessary or appropriate to effectuate this Resolution.

* * *

Next, Mr. Padden presented a preliminary report for the Members' information on damages and losses incurred by businesses in the JDA portfolio as a result of Hurricane Sandy.

Mr. Padden noted that fortunately most of the JDA businesses escaped any significant damage that would call into question their moving forward. Each JDA business had nevertheless been apprised of the availability of State assistance programs and provided with contact information should they wish to seek additional assistance in the future.

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Mr. Flamm then presented a report on Hurricane Sandy resources for Business Recovery and Mitigation for the Members' information. Mr. Flamm outlined the funding currently available through the New York City Economic Development Corporation as well as the funding available from the Small Business Administration's Disaster Loan Program. He also addressed smaller resources including the Mayor's Fund and the Downtown Alliance. Mr. Flamm also spoke to issues surrounding insurance and proposed programs once the federal funding is made available.

There being no further business, the meeting was adjourned at 1:17 p.m.

Respectfully submitted,

Eileen McEvoy
Secretary



FOR CONSIDERATION

June 27, 2013

TO: Authority Members

FROM: Kenneth Adams

SUBJECT: Authority Officers

REQUEST FOR: Appointment of Officers – Executive Vice President and Chief Operating Officer; General Counsel; and Appointment of the title of ESD General Counsel as the Authority’s ex-officio General Counsel

I. Background

It is proposed that the following appointments be approved by the Members:

<u>Name</u>	<u>Office</u>
Mehul Patel	Executive Vice President & Chief Operating Officer
Lawrence A. Jacobs	General Counsel

II. Proposed Actions

It is proposed that Mehul Patel be appointed Executive Vice President & Chief Operating Officer (“COO”) of the Authority. Mr. Patel is the Chief of Staff of Empire State Development.

As stated in the By-laws, the Executive Vice President & Chief Operating Officer shall, subject to the policies established by the Authority and under the direction of the Chief Executive Officer, be generally in administrative charge of all internal activities of the Authority. The Executive Vice President & Chief Operating Officer shall possess the same powers as the Chairman and Chief Executive Officer to execute loan and loan guarantee agreements, mortgages, and other documents relating to loans, loan guarantees or mortgages, to execute agreements with banks, underwriters or others for the borrowing of money or raising funds for the Authority and other agreements as stated in any bond resolution. The Executive Vice President & Chief Operating Officer shall act as liaison officer between the Authority and his or her counterparts at all other governmental organizations, review applications for loans and loan

guarantees submitted to the Authority for compliance with the rules and regulations of the Authority, make recommendations in respect thereof to the Authority, maintain current information on outstanding loans of the Authority, prepare as often as the Authority may require a report of the financial condition and operations of the Authority including the reports required by Section 1829 of the New York Job Development Authority Act, approve in the name of the Authority all purchase orders, payrolls and vouchers relating to the operations of the Authority, including travel and expense vouchers relating to the operations of the Authority, prepare in initial form the annual operating budget of the Authority, and have such powers and duties as may be assigned to the Executive Vice President & Chief Operating Officer by the Chief Operating Officer. The Executive Vice President & Chief Operating Officer may delegate such of the foregoing powers and duties as in his or her discretion may seem appropriate.

It is further proposed that Lawrence A. Jacobs be appointed General Counsel to the Authority. Mr. Jacobs is the Executive Vice President – Legal and General Counsel to the New York State Urban Development Corporation, doing business as Empire State Development (“ESD”). The office of General Counsel to the Authority has been vacant as a result of the promotion of Leecia Eve who was also Executive Vice President – Legal and General Counsel to ESD. For approximately two decades, ESD’s General Counsel has also been appointed General Counsel to the Authority.

Mr. Jacobs graduated with honors from Temple University and Brooklyn Law School, where he was a member of the Law Review. After graduating from law school, Mr. Jacobs was an associate at the law firm of Squadron, Ellenoff, where he was made partner in 1991. After serving as partner for 5 years, Mr. Jacobs joined the News Corporation as Executive Vice President and Deputy General Counsel in 1996. Mr. Jacobs was named Senior Executive Vice President and General Counsel in 2005 and served in that capacity until June 2011. Mr. Jacobs is an Adjunct Professor of Mass Media Law at Brooklyn Law School, where he also sits on the President’s Council.

As stated in the By-laws, the General Counsel shall be the chief legal officer of the Authority. The General Counsel shall oversee legal staff in connection with all legal affairs of the Authority including, the review of all applications for loans from the Authority for legal sufficiency and the drafting of all legal forms, contracts, mortgages and other documents necessary in connection with all phases of the Authority’s work or purposes. In addition, the General Counsel shall perform all other work incidental to his office and such other duties as from time to time may be assigned to him by the Authority.

In addition, it is recommended that the Members appoint the title of ESD General Counsel, as the Authority’s ex-officio General Counsel. In this way, future staff changes will not result in the need for additional board actions simply to substitute individuals and ensuring that this position will not need to be revisited in the future.

III. Recommendation

Based upon the foregoing, I recommend approval of the above proposed actions.

Attachment
Resolution

June 27, 2013

NEW YORK JOB DEVELOPMENT AUTHORITY -- Officers of the Authority – Appointment of Officers – Executive Vice President and Chief Operating Officer; General Counsel; and appointment of the title of ESD General Counsel as the Authority’s ex-officio General Counsel

RESOLVED, that the following individuals be, and they hereby are appointed to the offices which appear opposite their respective names, effective June 27, 2013, until their resignation or removal:

<u>NAME</u>	<u>OFFICE</u>
Mehul Patel	Executive Vice President and Chief Operating Officer
Lawrence A. Jacobs	General Counsel

and be it further

RESOLVED, that in accordance with and for all the purposes of the New York Job Development Authority Act and the By-Laws, including but not limited to the indemnification provisions thereof, the above-referenced individuals are “officers” of the Authority;

and be it further

RESOLVED, that the title of ESD General Counsel is hereafter appointed as the Authority’s ex-officio General Counsel.



FOR CONSIDERATION

June 27, 2013

TO: The Members

FROM: Kenneth Adams

SUBJECT: Annual Financial Reports

REQUEST FOR: Approval of Certain Annual Financial Reports and Authorization to
Take Related Actions

I. Background

The Public Authorities Law (the Law) requires annual approval by the Authority and certifications by the Chief Executive Officer and Chief Financial Officer of certain financial reports (the Reports). The Reports consist of financial information set forth in the independent audit required by the Law. The independent audit (the Audit), entitled New York Job Development Authority Combined Financial Statements and Independent Auditors' Report March 31, 2013 and 2012 (Combined Financial Statements), which contains the required information, is attached hereto.

II. The Report

The Report includes the following:

1. Independent Auditors' Report;
 - In this section the independent audit firm renders its opinion as to whether the combined financial statements present fairly, in all material respects, the financial position of the Authority and the results of its operations and cash flows for the current fiscal year, in conformity with accounting principles generally accepted in the U.S.A.

The Independent Auditors' Report included in the Combined Financial Statements contains an unqualified (clean) opinion reflecting that the combined financial statements present fairly,

in all material respects, the financial position, results of operations and cash flows of the Authority.

2. Management's Discussion and Analysis;
 - This is not a required part of the basic financial statements, but is supplementary information required by Government Accounting Standards Board (GASB). It is required to precede the basic financial statements, discuss current-year results in comparison with the prior year and contain condensed financial information derived from the basic consolidated financial statements.
3. Combined Financial Statements include;
 - Combined Statements of Net Position
 - Combined Statements of Revenue, Expenses and Changes in Net Position
 - Combined Statements of Cash Flows
 - Notes to Combined Financial Statements; and
4. Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards;
 - This letter addressed to the Authority Members defines the potential weaknesses in internal control and identifies if the audit firm has discovered any such deficiencies. In addition, it discusses the Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters, non-compliance with which could have a direct and material effect on the determination of the financial statements amounts.

The Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters included in the Combined Financial Statements contains no findings of material weaknesses in internal control and no issues of non-compliance.

5. Independent Auditors' Report on Investment Compliance

The Independent Auditors' Report on Investment Compliance included in the Combined Financial Statements reflects that the Authority complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on its investment program.

III. Audit Committee

The Audit Committee of the Authority has reviewed the Report and recommends approval by the Members.

IV. Related Filing Requirements

As required under the Law certain annual reports, including various reports not of a financial nature but including the Reports, will be submitted to the Governor, the Chairman and ranking minority member of the Senate Finance Committee, the Chairman and ranking minority member of the Assembly Ways and Means Committee and the State Comptroller, within ninety (90) days after the end of the Authority's fiscal year.

As also required by the Law, the Audit will be submitted to the Governor, Chairman and ranking minority member of the Senate Finance Committee, Chairman and ranking minority member of the Assembly Ways and Means Committee and the State Comptroller, within thirty (30) days after receipt thereof by the Authority.

V. Certifications

The Report has been certified in writing by the Chief Executive Officer and the Chief Financial Officer of the Authority that based on the officer's knowledge (a) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (b) does not omit any material fact which, if omitted, would cause the Report to be misleading in light of the circumstances under which such statements are made; and (c) fairly presents in all material respects the financial condition and results of the operations of the Authority as of, and for, the periods presented in the Report.

Attachments

Resolutions

Certifications

Audited Combined Financial Statements

June 27, 2013

NEW YORK JOB DEVELOPMENT AUTHORITY – (the “Authority”) Approval of Certain Annual Financial Reports and Authorization to take Related Actions

WHEREAS, the Authority wishes to comply with §2800 of the Public Authorities Law (the Law) which mandates that public benefit corporations annually prepare certain financial reports (the Reports) which for the Authority consists of the independent audit;

WHEREAS, an independent audit is required by §2802 of the Law;

WHEREAS, §2800 of said Law also requires the annual approval by the Members and certifications by the Chief Executive Officer and Chief Financial Officer of the Report;

WHEREAS, an independent audit has been prepared for the fiscal year ended March 31, 2013;

WHEREAS, the Authority has reviewed said Reports and found them to be satisfactory; and

NOW, THEREFORE, based on the materials submitted herewith, IT IS HEREBY RESOLVED that the Reports are hereby approved; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial and Administrative Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit said Reports, as required by law, and to take such action and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in connection with the implementation and approval of the Reports and to take related actions.

* * *



FOR CONSIDERATION

June 27, 2013

TO: The Members

FROM: Kenneth Adams

SUBJECT: Mission Statement, Related Performance Measurements, and FY 2012-2013 Performance Measurement Report

REQUEST FOR: Reexamination of Mission Statement and Related Performance Measurements; Proposed Modification of Performance Measurements; and Acceptance of FY 2012-2013 Performance Measurement Report

I. **Background**

In accordance with the Public Authorities Law (the “PAL”), the New York Job Development Authority (the “Authority”) adopted the following Mission Statement and related performance measurements to assist the Authority to determine how well it is carrying out its mission. Furthermore, pursuant to the PAL, the Authority must reexamine its mission statement and related performance measurements annually to ensure that its mission has not changed, and the performance measurements continue to support its mission. To assist you in your review, the Mission Statement and related performance measurements are set forth below.

Mission Statement

The New York Job Development Authority spurs job growth and capital investment in New York State by using the authority granted to it and by leveraging State-guaranteed bonds to support low-interest loans to manufacturers and other targeted industries throughout New York State.

Performance Measurements:

- Annual number of transactions closed
- Aggregate value of bonds issued
- Number of jobs retained and created with each investment transaction
- Amount of private capital investment leveraged
- Number of transactions delinquent
- Number of transactions in default

Upon these measurements, JDA may evaluate its performance and the achievement of its goals.

II. FY 2012-2013 Performance Measurement Report

During FY 2012-2013, the Authority continued its efforts to expand the Authority's loan portfolio and increase awareness of the Authority's products in the lending and business communities throughout the State. During this period, the Members approved loans for six projects evidencing firm commitments from responsible financial sources for the total project costs, exclusive of any loan request from the Authority. Pursuant to Article 8 of Title 8 of the Public Authorities Law, these projects were approved prior to their actual commencement. Closing on the Authority's loans and disbursement of its funds will occur upon project completion, which has not yet occurred with respect to any of these projects.

It generally takes several months to more than a year to complete typical projects subsequent to approval by the Authority (and Public Authorities Control Board.) Because job creation and/or retention, and the measurement of capital investment leveraged can only properly be done after project completion and closing, the projects approved by the Authority this year have not yet resulted in reportable job creation/retention or capital leveraged.

Improving upon FY 2011-2012's default rate, no transactions were in default during FY 2012-2013. Two transactions are delinquent and are being addressed by staff. The Authority issued no bonds during the reporting period.

III. Recommended Modification

The current performance measurements track only the results of transactions that have closed. As explained above, this approach does not fully reflect the Authority's activities during the reporting period. Significant time and resources are spent in identifying and structuring transactions to be presented for authorization by the Members. By tracking only results of projects that have closed, the current performance measurements do not capture the Authority's early, necessary efforts to originate transactions.

In order to more accurately assess the efforts of the Authority in a fiscal year, staff recommend that the performance measurements be amended to include:

- Number of transactions approved by the Authority during the reporting period

This addition to the performance measurements will capture the important milestone of project origination upon which the other measurements are dependent.

IV. Requested Actions

The Members are requested to confirm their reexamination of the Mission Statement and related performance measurements, to modify the performance measurements as set forth above for future evaluations, and to accept the FY 2012-2013 Performance Measurement Report in accordance with the Public Authorities Law.

V. Recommendation

Based upon the forgoing, I recommend approval of the requested actions.

June 27, 2013

NEW YORK JOB DEVELOPMENT AUTHORITY – Reexamination of Mission Statement and Related Performance Measurements; Proposed Modification of Performance Measurements; and Acceptance of FY 2012-2013 Performance Measurement Report

WHEREAS, the New York State Public Authorities Law § 2824-a requires each authority to reexamine its mission statement and performance measurements annually, therefore

BE IT RESOLVED, that the Members hereby confirm that they have reexamined the mission statement as previously adopted and recommend no further amendments; and

RESOLVED, that the performance measurements for future evaluations be modified to include number of new transactions approved by the Authority during the reporting period; and be it further

RESOLVED, that the FY 2012-2013 Performance Measurement Report contained in the materials presented to this meeting and hereby ordered to be filed with the records of the Authority is hereby accepted.

* * *