

Item I:

A Description of the Corporation's Operations and Accomplishments

Empire State Development Corporation:
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The New York State Urban Development Corporation d/b/a Empire State Development Corporation ("ESD") is a public finance and development authority that participates in a broad range of development projects. ESD's mission is to create and retain jobs in New York State, with particular emphasis on targeting economically distressed areas. ESD undertakes large-scale, long-term projects that generate employment and economic benefits throughout the State and provides financial assistance to companies locating or expanding in New York.

During Fiscal Year 2006-2007, ESD drew down approximately \$206 million (not including assistance through its subsidiaries' projects) in funding to assist projects throughout the State.

Some of the Corporation's highlights beginning with January 2007:

- I. Policies and Strategy
 - a. Renew New York:
 - i. Upstate ESD subsidiary – to designate an Upstate Chair and Upstate Headquarters in Buffalo.
 - 1. Upstate chair designated, and Upstate Headquarters established.
 - 2. Currently restructuring the agency to focus resources where they are most needed
 - ii. Universal Broadband Initiative – to ensure that New Yorkers have access to affordable, high-speed Internet service.
 - 1. Completed and published statewide broadband study, identifying areas of need and of opportunity.
 - iii. Refocus New York State tourism – to rejuvenate the "I Love NY" brand and increase tourism throughout the State
 - 1. Retained ad firm Saatchi & Saatchi to relaunch "I Love NY"
 - 2. Launched new "I Love NY" website
 - 3. Increased budget for tourism spending by more than \$5 million over 2006-07 budget
 - 4. Designated new Chief Marketing Officer
 - b. Atlantic Yards Oversight – to increase oversight and improve information flow
 - i. ESD will designate an ombudsperson to serve as a full-time liaison between ESD, elected officials, community representatives and the general public.
 - ii. ESD will establish two multi-agency working groups to coordinate efforts among Forest City Ratner and various government agencies.
 - iii. ESD will hold regular meetings with elected officials

- c. Erie Canal Harbor – to develop mixed-use development plan for Buffalo’s Inner Harbor
 - i. Approved \$275 million plan.
 - ii. Secured BassPro as an anchor tenant.
- d. Ethics and Accountability
 - i. Allsub Corporation – to create greater efficiency and accountability within ESDC.
 - 1. Merged 25 ESDC subsidiaries into a single holding company. Dissolved 13 inactive subsidiaries.
 - ii. Hold open, publicly announced Board meetings throughout the State.

II. Projects and Deals

- a. Completed Regional Deals: Total Job Numbers since Day One – 10,434 jobs retained, 3,702 pledged new jobs
 - i. Sematech, Capital Region: 250 jobs retained; 450 pledged new jobs
 - ii. Carestream Health, Finger Lakes Region: 800 jobs retained; 500 pledged new jobs
 - iii. High Falls Brewing, Finger Lakes Region: 331 jobs retained; 90 pledged new jobs
 - iv. Pactiv Corp, Finger Lakes Region: 891 jobs retained; 220 pledged new jobs
 - v. BAE Systems, Southern Tier Region: 1300 jobs retained; 125 pledged new jobs
 - vi. Corning, Southern Tier Region: 1500 jobs retained; 300 pledged new jobs
 - vii. Praxair, Western New York Region: 90 jobs retained
 - viii. Citi, Western New York Region: 598 jobs retained; 650 pledged new jobs
 - ix. GM Powertrain, Western New York Region: 1350 jobs retained
 - x. Broadridge/ADP, Long Island: 1251 jobs retained, 300 pledged new jobs
 - xi. Canon USA, Long Island: 1110 jobs retained, 750 pledged new jobs
 - xii. Beech Nut, Mohawk Valley Region: 356 jobs retained, 98 pledged new jobs
- b. Lower Manhattan Development Corporation
 - i. Construction of Freedom Tower approved, ending years of uncertainty
 - ii. Settlement with prior insurers reached, ending intractable legal dispute and freeing billions of dollars for rebuilding efforts.
 - iii. Restart previously stalled work on deconstruction of 130 Liberty
 - iv. Designated new president of LMDC
- c. Moynihan Station
 - i. Purchased the James A. Farley Post Office Building, a major first component of a new Moynihan Station transportation hub.
- d. Jacob Javits Convention Center Expansion and Renovation
 - i. Designated new president