

Empire State Development Corporation:
A Description of the Corporation's Operations and Accomplishments

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 2008-09, the ESD Directors approved 380 projects totaling approximately \$1,117 million in grants and \$13 million in loans. Of this total, 120 projects totaling approximately \$35.3 million in grants were member items; nine projects totaling approximately \$124.8 million in grants were Executive items; and nine projects, totaling almost \$764.6 million in grants were member three-way items. Finally, 110 projects, totaling almost \$185.5 million in grants and \$13 million in loans were related to job retention and creation.

Some of the Corporation's highlights:

AGENCY LEADERSHIP:

- Dennis M. Mullen was appointed Chairman, President and CEO.

INCREASE IN DIRECT TOURISM SPENDING FOR NEW YORK STATE

- New York State is on track to reach its tourism spending goal of \$60 billion by 2020. As a result of the relaunch of the "I LOVE NY" campaign we saw a 4 percent increase in direct tourism spending for New York in 2008. According to a study commissioned by ESD's Division of Tourism, visitors spent \$53 billion in the local economy in 2008 despite the economic downturn. As a result, 2008 marked the sixth consecutive year of increased consumer spending since the Department started tracking this data six years ago.

ESD ORGANIZES TRADE MISSIONS IN UPSTATE; STATE FOREIGN INVESTMENT INCREASES

- ESD organized two trade missions to Upstate New York in 2009. Representatives from nearly 40 countries convened in the Buffalo/Niagara region in April 2009 and representatives from nearly 30 countries convened in Albany in February 2009 to hear from senior State government officials, learn about investment opportunities, meet with local businesses and trade partners and become acquainted with the strengths of the two regions. It was the largest and broadest foreign trade mission to Upstate New York in the State's history.
- Also announced this year, New York State is ranked number one in attracting international investment among all North American destinations—including the United States, Canada and Mexico— according to IBM's Global Business Services' 2007 Global Location Trends Report. ESD is planning additional trade missions throughout the state.

INCREASES IN FUNDING FOR CDFIs/SMALL BUSINESS

- In response to the current economic climate and in support of the integral role that small business plays in the continuity and strength of our State's economy, ESD increased funding to the Community Development Financial Institutions (CDFI) program by \$2.5 million and authorized an \$80,000 grant to the Regional Alliance of Small Contractors.

SUBSIDIARIES AND MAJOR PROJECTS

Advanced Micro Devices/The Foundry Company

- Advanced Micro Devices (AMD) and its new investment partner, Advanced Technology Investment Company (ATIC) created a new global company, now known as “The Foundry Company,” which will own and operate the new computer chip production facility. This builds off an agreement reached between New York State and AMD in June 2006.

Brooklyn Bridge Park Development Corporation

- New President hired to oversee BBPDC.
- Construction for Phase I of BBPDC began.
- Pier 1 Park opened to the public.

Erie Canal Harbor Development Corporation

- Erie Canal Harbor opened to the public.
- First-ever summer programming was held at the Harbor.
- Unveiled final “Canal Side” Master Plan.
- Demolition of Memorial Auditorium (“Aud”).
- New President hired to oversee ECHDC.

Governor’s Island Preservation and Education Corporation

- Governors Island became home to New York City’s first sustained bike share program.
- Established partnership with the Lower Manhattan Cultural Council (LMCC) to open a full-time, year-round artist studio and exhibition space on Governors Island.
- Named “Best Day Trip in New York City” by *New York Magazine*.
- More than 10,000 visitors came to Governors Island for the 2009 Opening Weekend.
- Hosted the Veuve Clicquot Manhattan Polo Classic nearly 70 years since polo was last played on Governors Island. HRH Prince Harry of Wales participated in the match.
- Began free ferry service to Brooklyn.

Harlem Community Development Corporation

- Funded two non-profit organizations that established new centers in Harlem.
- Assisted first-time home-buyers and current owners on current home ownership challenges.

Harriman Research and Technology Development Corporation

- New President hired to oversee HRTDC.
- Opening of the New School for Radio and Television.

Lower Manhattan Development Corporation

- Completed abatement and decontamination at 130 Liberty.
- Opened a new section of the Hudson River Park in TriBeCa.
- Groundbreaking of CaVaLa Park in TriBeCa.
- Allocated additional Community Enhancement Funds to new community groups.
- Announced a new schedule and costs for redevelopment of the World Trade Center site.
- Agreed to help fund over 1,000 free park events in Lower Manhattan.

Midtown Rising

- New York State awarded the contracts to perform asbestos abatement and air monitoring services at the Midtown Plaza site in Rochester. The Midtown Rising effort will be one of the largest abatement jobs in the history of the region.

Moynihan Station Development Corporation

- Purchased the James A. Farley Post Office Building, a major first component of a new Moynihan Station transportation hub.

- Expanded Moynihan/Penn Station redevelopment project draft scope of work.

New York Convention Center Development Corporation

- Approved Renovation and Expansion Plan.
- Groundbreaking set for summer 2009.

Queens West Development Corporation

- A new sports field opened to the public in the summer of 2008.
- Requested bids for the construction of a waterfront park and associated roadways and sewer systems.
- Completion and summer 2009 opening of 5 additional acres of Gantry State Plaza Park.

USA Niagara Development Corporation

- Groundbreaking of West Mall Initiative.
- Demolition of Wintergarden.

PROGRAMS

- **Empire Zones:** Several important reforms were made to the Empire Zone Program in 2009. One of the key changes in the program is that businesses must obtain an Empire Zone Retention Certificate (EZRC) from Empire State Development (ESD) to receive any Empire Zone (EZ) benefits for tax years beginning on or after January 1, 2008. ESD reviewed all existing EZ certified businesses and issued an EZRC during calendar year 2009 to businesses that qualify. Firms not qualifying for an EZRC were sent notices of decertification along with information on the appeals process. There were 8471 letters that went out to three groups of businesses: those we have determined meet the new requirements (6420); those we need additional information from to make a determination (1404); and those that appear to not meet the requirements (647). Over 90% of the businesses are expected to receive a retention certificate.
- **Upstate Regional Blueprint Fund & Downstate Revitalization Fund:** In May of 2009 Governor Paterson announced the availability of \$120 million in the Upstate Regional Blueprint Fund and \$35 million in the Downstate Revitalization Fund. ESD will allocate funds through a competitive process in the form of subsidized loans, convertible loans and grants. Funds will be available for the following activities: business investment, infrastructure investment and downtown redevelopment.
- **Restore New York Community Initiative Round 3:** In February 2009, ESD announced Round 3 of its successful Restore New York's Communities Initiative, which encourages economic development and neighborhood growth by providing municipalities with financial assistance for revitalization of commercial and residential properties with emphasis placed on projects in economically distressed communities. Round 3 will total \$150 million. In total, \$300 million will have been delivered to municipalities through the three rounds of this grant program.
- **Division of Minority and Women-Owned Business Development Progress:** ESD made progress in three core areas for the MWBE program: Certification, Compliance and Business Development. We reduced the amount of time to process certifications by more than half. From April 2008 through January 2009, the DMWBD processed over 1,070 applications for certification, compared with just 399 during the same period the previous year (April 2007-January 2008), an increase of 268%. More than 600 MWBEs have been added to the state's database of certified firms over last eleven months, which increased from 7021 in March 2008 to more than 7650 through February 2009. ESD worked with the State Comptroller's Office to develop new procurement guidelines that will increase MWBE participation on

discretionary purchases. ESD trained over 200 agency personnel on MWBE program implementation.

- **Governor's Office for Motion Picture & Television Development:** The New York State Film Production Credit Program received \$350 million in new authorizations in the 2009-10 Budget. This funding will help New York continue to attract film and television industry business and maintain its standing as the most popular destination outside of Hollywood for filmmakers. In 2008, the State raised its film tax credit to 30 percent of qualified costs, which was three times larger than the credit it replaced.
- **Entrepreneurial Assistance Program:** ESD expanded the State's Entrepreneurial Assistance Program (EAP) service area by opening five new centers that serve Erie and Niagara Counties, Onondaga County, Westchester County and Greater Harlem. This constitutes an increase of 26% to a total of 24 centers statewide.

NOTABLE DEALS ANNOUNCED DURING FISCAL YEAR 2008-09

- ABC Studios TV, New York City: 185 pledged new jobs.
- American Packaging Corporation: Finger Lakes: 147 jobs retained, 25 pledged new jobs
- Breton Industries Inc., Mohawk Valley: 106 jobs retained, 10 pledged new jobs
- Brookhaven National Lab, Long Island, 2700 jobs retained, 300 pledged new jobs
- Coast Professional Inc, Finger Lakes: 100 pledged new jobs
- Dresser-Rand Company, Western NY: 552 jobs retained, 120 pledged new jobs
- Dunkirk Specialty Steel, Western NY: 57 jobs retained, 90 pledged new jobs
- ECR International; Mohawk Valley & Western NY: 284 jobs retained, 72 pledged new jobs
- EPCO Carbon Dioxide Products, Finger Lakes: 20 pledged new jobs
- Epic Pharma, New York City: 161 jobs retained
- Frederick Goldman Inc., New York City: 325 jobs retained, 32 pledged new jobs
- Friendship Dairies LLC, Western NY: 218 jobs retained, 40 pledged new jobs
- Globe Specialty Metals, Inc. Western NY: 500 pledged new jobs
- ITT Goulds Pumps, Finger Lakes: 758 jobs retained, 60 pledged new jobs
- Klein Steel Service Inc., Finger Lakes: 135 jobs retained, 14 pledged new jobs
- Lee Spring Company, New York City: 95 jobs retained
- Local Ocean, LLC, Capital Region: 53 pledged new jobs
- Multisorb Technologies, Inc, Western NY: 352 jobs retained, 75 pledged new jobs
- Nationwide Precision Products, Finger Lakes: 248 jobs retained, 18 pledged new jobs
- New Hartford Sheet Metal, Mohawk Valley: 39 jobs retained, 20 pledged new jobs
- Remington Arms: Mohawk Valley: 600 jobs retained, 100 pledged new jobs
- Revonate Manufacturing LLC, Central NY: 50 pledged new jobs
- Richardson Brands, Mohawk Valley: 128 jobs retained, 15 pledged new jobs
- Roycroft Campus Corporation, Western NY: 97 jobs retained, 13 pledged new jobs
- Sherrill Manufacturing, Inc. Mohawk Valley: 135 jobs retained, 120 pledged new jobs
- Spectrawatt, Mid Hudson: 161 pledged new jobs
- Starline USA, Inc, Western NY: 126 jobs retained, 41 pledged new jobs
- Turbo Machined Products LLC, Mohawk Valley: 28 jobs retained, 15 pledged new jobs
- Unifrax LLC, Western NY: 180 jobs retained, 50 pledged new jobs
- Upstate Niagara Cooperative, Western NY: 165 jobs retained