



**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 and secure investment in New York State, with particular emphasis on targeting economically distressed areas. ESD also undertakes large-scale, long-term projects that stand as transformational opportunities for neighborhoods, cities and regions around the state.

During fiscal year 2009-10, the ESD Directors approved 290 projects totaling approximately \$300 million in grants and \$11 million in loans. Of this total, 96 projects totaling approximately \$153 million in grants were non-discretionary legislative items. 194 projects, totaling \$147 million in grants and \$11 million in loans, were related to job retention and creation or other economic development programs.

Some of the Corporation’s highlights:

AGENCY LEADERSHIP:

- Dennis M. Mullen was appointed by the Governor as Chairman and CEO in July 2009 and confirmed by the NYS Senate in May 2010.

NEW ESD WEBSITE

Launched in February 2010, ESD’s new website was reorganized to streamline design and improve access to information in order to best serve the agency's constituents. The updated website, www.esd.ny.gov, offers increased agency transparency in outlining the organization’s structure, provides information on its statewide subsidiaries and large-scale urban development projects and clearly identifies ESD's business programs and incentives. The new website was created internally at a cost of under \$1000.

The new site features:

- An “**About Us**” section featuring historical, corporate and senior staff information.
- A “**Why New York**” section featuring up-to-date information on the State’s economic assets, high-tech economy and industry clusters.
- A comprehensive “**Business Programs**” section listing information on ESD’s incentives, including grant and loan programs and technical assistance.
- Updated **International, Minority & Women-Owned Business Enterprise (MWBE)** and **Small Business** sections.
- New **regional office** pages which include geo-specific resources and information for the State’s ten distinct areas.
- A more in-depth “**Press Center**” section for a full list of ESD press releases and information on ESD’s speaker bureau, as well as access to social media tools.

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,” or “Globalfoundries,” which will own and operate the new computer chip production facility in Saratoga County. This builds off an agreement reached between New York State and AMD in June 2006.
- Globalfoundries broke ground on the \$4.2 billion Fab 8 plant in Saratoga County in July 2009.
- New York State committed up to \$1.2 billion worth of financial incentives towards the project — the largest private-public investment in the history of the state.
- The fabrication plant will create approximately 1,400 new, direct semiconductor manufacturing jobs and approximately 5,000 new, indirect jobs in the region.
- In June 2010, Globalfoundries announced further expansion plans of a new clean room shell that will mean an additional investment of \$75 million in New York State.
- New York State committed an additional \$15.8 million to support and advance this new expansion project.
- Construction on the new clean room shell will begin in June 2010, coinciding with the current ongoing construction.

Atlantic Yards Development Project

- December 23, 2009: Master closing between FCRC, ESD, MTA, and the City of New York
- In March, 2010, the Brooklyn Supreme Court granted our condemnation petition, which gave ESD title of the property in the Atlantic Yards footprint. ESD joined Forest City Ratner Companies and major stakeholders in the Nets basketball franchise mid-March to break ground at the site, and construction has been ongoing.
- Each significant milestone brings us closer to accomplishing the goals of the project: eliminating blight, and bringing transportation improvements, an arena, open space, affordable housing and thousands of jobs to Brooklyn.

Brooklyn Bridge Park Development Corporation

- Piers 1 & 6 officially open to the public.
- Signed MOU with New York City transferring construction and operations management of Brooklyn Bridge Park to the City.
- The five approved development parcels at BBP include: (1) hotel and residential building at Pier 1; (2) Empire Stores, 350,000 sq ft of warehouse space; (3) 360 Furman Street (One BBP); (4) Apartment at John Street, just north of Manhattan Bridge (5) another residential site at the foot of Pier 6, just south of 360 Furman Street that consists of 2 parcels.
- Awarded Pier 1 concessions in May to Ditch Plains; Pier 66 Maritime (for the wine bar with light fare); Calxico Carne Asada; Blue Marble Ice Cream

Erie Canal Harbor Development Corporation

- ESD board approved the SEQRA findings and general project plan in March, denoting the conclusion of the mandatory review process.
- ECHDC will make a decision in August 2010 as to who will conduct construction work on the site – there are currently four bids. A Project Labor Agreement (PLA) has been signed.

- Ongoing negotiations with Bass Pro Shops with an expected lease by this fall. Bass Pro recognizes a lease must be signed before construction, slated for the late summer, can begin.
- ECHDC Board of Directors has told public/media that Canal Side will be complete by spring 2012.

Governor's Island Preservation and Education Corporation

- Signed MOU with New York City transferring ownership and control of Governors Island to the City.
- This year, for the first time, free ferries will run every Saturday and Sunday from Pier 6 in Brooklyn Bridge Park in addition to the ferries that run every Friday, Saturday and Sunday from the southern tip of Battery Park in Manhattan.
- Governors Island has exploded in popularity in recent years. In 2005, 8,000 visitors came to the Island. Last year, that grew to 275,000. This year, we anticipate welcoming 400,000.

Harlem Community Development Corporation

- HCDC facilitated \$225,000 in grants supporting arts and cultural organizations, a \$100,000 pre-development loan for a mixed-used residential project, and sponsored series of Homebuyer/Homeowner educational seminars.
- HCDC provided strategic and tactical support for the green redesigns of three major intersections, build-out and programming of Harlem River Park, study of East Harlem, St. Nicholas Avenue commercial corridors and the La Marqueta Market Mile project.
- Weatherization rehabilitation work continues underway in 470 housing units under the existing WAP program and 772 units under the new ARRA (American Recovery & Reinvestment Act).

Harriman Research and Technology Development Corporation

- The HRTDC Board reconvened in October 2009 for the first time in more than a year.
- The Board maintained traction and in November 2009, they unanimously voted to enter into negotiations with the Columbia Development team and take an incremental approach to the redevelopment of the campus.
- Initial negotiations have surrounded one 5-15 acre parcel of land and the Board is beginning the procurement process for this "proof of concept" site.

Lower Manhattan Development Corporation

- LMDC partnered with the City of New York to expand the Small Firm Assistance Program, making hundreds more businesses eligible for up to \$25,000 in grants.
- The single largest LMDC grant off the World Trade Center Site, the East River Esplanade – a continuous stretch of open waterfront space from the battery maritime Building in the South to East River Park to the north - held a ground breaking attended by Gov. Paterson on August 18, 2009.
- LMDC reached a settlement with the prior insurers for 130 Liberty Street injecting \$105 million of private money into the deconstruction project. LMDC also completed abatement of 130 Liberty Street and resumed steady demolition. The project is on pace for full deconstruction by the end of 2010.
- LMDC-funded Burling Slip Playground held its groundbreaking on May 7, 2009. This innovative playground is an adaptive re-use of a historic slip and former parking lot, designed by David Rockwell.

- LMDC partnered with the 9/11 Memorial to support funding for the primary museum exhibition space. LMDC also provided financial support for interim memorial exhibitions including the Tribute in Light, WTC StoryCorps and Project Rebirth. The LMDC Board Approved funding to support a community-based planning study for Chinatown

Midtown Rising

- Awarded a \$34 million environmental remediation contract to Cambria Contracting Inc. for the removal of asbestos and universal waste throughout the 1.5 million sq ft of Midtown buildings in downtown Rochester. The project employed as many as 240 workers onsite at its peak and was 70% complete at fiscal year-end. Project completion is slated for August 2010. Paradigm Environmental Services, Inc. was selected by ESD for a \$1.6 million contract to monitor the abatement and site air quality. Both contractors began work in July.
- Awarded a \$1.2 million grant to the Christa/Morgan Management Development Corporation for the adaptive redevelopment of 17-story former Midtown Tower. Once complete, the Tower will consist of 186 residential market-rate apartments, 24 market-rate condominium units and ground floor retail and commercial space.
- Site infrastructure engineering and preliminary site planning has commenced for the streets and sidewalks around the Midtown Plaza block. Funds for design were secured through a federal grant from Congresswoman Louise Slaughter. The infrastructure construction bids will be released in early 2011 and construction on the site is expected to last through 2012.
- ESD accepted sealed bids for the demolition and site preparation contract for services on March 23, 2010. The ESD Board will consider the contract award at its June 15, 2010 meeting.

Moynihan Station Development Corporation

- Tim Gilchrist appointed president of MSDC in June 2010.
- MSDC is securing a \$84 million dollar US DOT (“TIGER”) stimulus grant.
- ESD entered into a MOU with Amtrak indicating Amtrak’s intent to move its passenger operations to Farley’s Moynihan Station
- The Project has been divided into phases, each of independent utility, for design, budget, construction, and logistical considerations

New York Convention Center Development Corporation

- The expansion is 100% completed. The 100,000 sq foot expansion includes 40,000 net sq feet of additional exhibition space (equivalent to 80,000 gross square feet of exhibit space).
- Construction started on the renovation in June. CCDC took over the gallery and the River Pavilion. The house turned it over to us through January 1, 2011. We will paint the space frame on the inside; install a new roof and curtain wall and HVAC units on the north side of the gallery.
- Project will include a new exterior envelope, transforming the dark “boxy” building into a “crystal palace.”
- Scope of the renovation includes: New roof including the largest green roof in NYC, new rooftop mechanical units, new curtain wall of glass and stainless steel panels, mechanical, electrical and plumbing upgrades.
- Construction will generate \$880 million in direct and indirect sales over the 4 ½ year construction period.

Queens West Development Corporation

- Opened five additional acres of Gantry State Plaza Park.
- Opened Queens West playground.

USA Niagara Development Corporation

- USAN has led the effort to bring Niagara County Community College's Culinary Institute to downtown Niagara Falls. Several site locations including the vacant Rainbow Centre Mall are under consideration.
- Phase I work of the \$7.9 Million City-by-City funded Old Falls Street-West Mall Initiative was ongoing during FY 2009-10. Demolition of the former Wintergarden was completed in November 2009. Phase II work was scheduled to be completed by May 2010.
- USAN awarded a \$750,000 and \$100,000 grant to Merani Hospitality, Inc. and the Red Coach Inn, respectively, for hotel expansion and renovations. Merani embarked on a \$15M million project to acquire and renovate the former Fallside Hotel, while the Red Coach Inn spent \$900,000 to expand their hotel capacity by nearly 50%.
- In October 2009, USAN entered into an agreement with the City of Niagara Falls for Global Spectrum's management services of Old Falls Street and authorized a \$105,000 contract with Cannon Design for architectural services for the unfinished 8,000 square feet of Conference Center Niagara Falls retail space. Work began in October 2009.

PROGRAMS

Empire Zones: Several important reforms were made to the Empire Zones Program in 2009. One of the key changes in the Program was that businesses must obtain an Empire Zone Retention Certificate (EZRC) from ESD to receive any Empire Zone (EZ) benefits for tax years beginning January 1, 2008. ESD reviewed all existing EZ certified businesses and issued an EZRC during calendar year 2009 to qualifying businesses. Firms not qualifying for an EZRC were sent notices of decertification along with information on the appeals process. There were 8,471 letters that went out to three groups of businesses:

1. those we determined met the new requirements (6,658);
2. those we need additional information from to make a determination (1,268); and
3. those that did not meet the requirements (545).

Over 78% of the businesses received a retention certificate. The complete breakdowns of decertifications were as follows:

545 companies were decertified from the Empire Zone Program, of which

- 134 companies did not appeal
- 411 companies sent a notice of appeal
 - 13 companies were reinstated (decertification was reversed) by the DED Commissioner due to administrative error
 - 2 companies withdrew their appeals

As a result, 396 companies required Empire Zone Designation Board (EZDB) action on their appeals.

As of March 31, 2010, the EZDB made the following actions on 101 companies:

- 10 companies (failing the 1:1 ratio) were reinstated into the program (decertification was reversed) on December 15, 2009
- 91 companies (failing the 1:1 ratio) remained decertified from the program (decertification was upheld) on March 11, 2010

295 companies with appeals are still awaiting Board action, of which:

- 252 companies are shirtchangers
- 10 companies failed the 1:1 ratio
- 33 companies are both shirtchangers and failed the 1:1 ratio

The 2009 reform package also included an early sunset for the program, moving the final date for certification into the program from June 30, 2011 to June 30, 2010.

Upstate Regional Blueprint Fund & Downstate Revitalization Fund:

- ESD announced the awarding of \$27.9 million in Downstate Revitalization Funding.
- ESD announced the awarding of \$56.8 million in Regional Blueprint Funding.

International Business: Trade Missions in Albany, Buffalo and Long Island

- In 2009, ESD's International Division held three immensely successful international trade missions to New York State—each building on the success of the last and each representing the largest trade mission in New York State's history.
- Nearly 200 foreign trade officials representing 49 countries attended the three trade missions.
- IBM's Global Business Services 2007 survey found that NYS was the #1 state in the USA in attracting Foreign Direct Investment

Division for Small Business:

- In order to develop new strategies to promote the growth and development of small businesses in New York, Governor David A. Paterson created the Small Business Task Force in July of 2009.
- In September of 2009 the Governor and ESD unveiled the New York State Directory of Small Business Programs, the first-of-its-kind, comprehensive and interactive guide that assists entrepreneurs in starting new businesses and provides current small business owners with invaluable information and resources. The New York State Directory of Small Business Programs has received over 775,000 hits online. A Spanish-language version of the Directory was released in January 2010.
- Small Business Directory workshops promoting the guide were held statewide, in Brooklyn, Harlem, Buffalo, Syracuse, Rochester, Watervliet (near Albany), Fulton County, and Hauppauge (Suffolk County).
- In December the State unveiled its second free online manual, the New York State Small Business Lending Guide. This guide directly focuses on connecting small business owners and entrepreneurs with alternative banks and credit unions who are lending right now.
- Also in December, the Governor's Small Business Task Force submitted its Final Report to the Governor. The report included proposals to address increasing access to capital; reducing red tape and providing regulatory reform; strengthening and enhancing training and technical assistance for business owners, employees and aspiring entrepreneurs; and improving access to, and awareness of, available State resources.

- Initiatives to provide small businesses with greater access to State purchasing opportunities have included enhancements to the New York State Contract Reporter (NYSCR) – such as daily publication, free access for all registered users, and an E-Alert Bid Match Notification Service that provides e-mail notification to paid subscribers – and a formalized system for sharing information between the Office of General Services and ESD that will help small businesses compete for the billions of dollars in state procurement opportunities managed by OGS.
- ESD is completing its review of existing loan programs and taking steps to re-allocate funds in its Revolving Loan Trust Fund program to higher performing partners.
- Pilot programs have been launched to implement two of the Task Force’s workforce recommendations: a layoff aversion program in Long Island and New York City and a Regional Jobs and Internship Portal in Central New York and the Southern Tier. Work continues to expand both programs statewide.
- In sum, since the Task Force delivered its report and recommendations to Governor Paterson, New York State has either completed or made substantial progress on more than half of the Task Force’s recommendations. Though remaining recommendations will require a longer time frame to complete, we are creating an institutional framework -- through the Interagency Workgroup and Small Business Advisory Board -- to sustain the level of commitment necessary to achieve these long-term objectives.

Division of Minority and Women-Owned Business Development:

- Adopted a sweeping set of recommendations to increase opportunities for a wide range of financial services firms owned by minority members and women to do business with New York State public authorities.
- Released “The State of Minority- and Woman-Owned Business Enterprise: Evidence from New York,” a study of the participation of minority and women-owned business enterprises (MWBEs) in state contracts. The study, which found evidence of business discrimination against MWBEs in the private sector of the New York State market area, will help support the State’s initiatives aimed at supporting business opportunities for the MWBE community and to evaluate its current programs.

NOTABLE DEALS ANNOUNCED DURING FISCAL YEAR 2009-10

- Watkins Glen International, Southern Tier, 69 jobs retained
- CVS/Caremark, Southern Tier, pledged 600 new jobs
- GKN Aerospace Monitor, Long Island, 290 jobs retained, pledged 69 new jobs
- GE Aviation Systems N.A., Long Island, 200 jobs retained, pledged 55 new jobs
- Kozy Shack Enterprises, Long Island, 310 jobs retained
- Chesapeake Pharmaceuticals, Long Island, 90 jobs retained, pledged 30 new jobs
- Brentronics, Long Island, 197 jobs retained, pledged 125 new jobs
- The Brooklyn Brewery, New York City, jobs retained, pledged new jobs
- Sims Municipal Recycling, New York City, jobs retained, pledged new jobs
- NY Botanical Garden, New York City, jobs retained, pledged new jobs
- Twin Marquis, New York City, jobs retained, pledged new jobs
- JetBlue Airways, New York City, 880 jobs retained, pledged 200 new jobs
- SecondMarket, New York City, 89 jobs retained, pledged 367 new jobs
- Regeneron, Mid-Hudson, 978 jobs retained, pledged 300 new jobs

- OSI, Mid-Hudson, 203 jobs retained, pledged 397 new jobs
- ImClone Systems, New York City, 135 jobs retained, pledged 35 new jobs
- C&Y Albany Hotel, Capital, pledged 75 new jobs
- Comfortex Window Fashions, Capital, 200 jobs retained, pledged 43 new jobs
- GE Transportation, Capital, pledged 350 new jobs
- Troy Community Food Cooperative, Capital, pledged 41 new jobs
- Richardson Brands, Mohawk Valley, 143 jobs retained, pledged 70 new jobs
- Brouwerij Belome, Mohawk Valley, 35 jobs retained, pledged 5 new jobs
- Newbrook Machine Corp., Western NY, 45 jobs retained, pledged 16 new jobs
- Remtronics, Western NY, 56 jobs retained, pledged 7 new jobs
- K Technologies, Western NY, 42 jobs retained, pledged 32 new jobs
- Concord Textiles, Western NY, 4 jobs retained, pledged 80 new jobs
- H@Lofts, Western NY, 40 jobs retained, pledged 50 new jobs
- First Niagara Financial, Western NY, 1,017 jobs retained, pledged 310 new jobs
- Snyder Transportation, Western NY, 80 jobs retained, pledged 15 new jobs
- Robinson Home Products, Western NY, 79 jobs retained, pledged 88 new jobs
- Windham Professionals, Western NY, 60 jobs retained, pledged 140 new jobs
- SKF Aeroengines, Western NY, 691 jobs retained
- Sweeney Steel Service, Western NY, 15 jobs retained, pledged 23 new jobs
- GM-General Motors - Engine Lines, Western NY, 776 jobs retained
- Baja Beach Club, Western NY, retained 1 job, pledged 40 new jobs
- Huhtamaki, Central NY, 631 jobs retained
- Crucible Industries, Central NY, 120 jobs retained, pledged 50 new jobs
- Polaris Library - GIS Information Systems, Central NY, 63 jobs retained, pledged 9 new jobs
- All Red, Central NY, 38 jobs retained, pledged 4 new jobs
- HealthWay Home Products, Central NY, 22 jobs retained, pledged 20 new jobs
- The Fulton Companies, Central NY, 76 jobs retained, pledged 50 new jobs
- Pyrotek, Central NY, 42 jobs retained, pledged 68 new jobs
- Novelis, Central NY, 635 jobs retained
- One Source Networking, Central NY, 14 jobs retained, pledged 10 new jobs
- Frazer & Jones, Central NY, 120 jobs retained
- International Paper, North Country, 642 jobs retained
- Frazer Computing, North Country, 18 jobs retained, pledged 6 new jobs
- Harris Corp., Finger Lakes, 2,000 jobs retained
- LiDestri Foods, Finger Lakes, 403 jobs retained, pledged 100 new jobs
- Upstate Niagara Cooperative, Finger Lakes, 165 jobs retained
- Kraft Foods, Finger Lakes, 353 jobs retained, pledged 50 new jobs
- Maco Bag Corp., Finger Lakes, 156 jobs retained, pledged 40 new jobs
- Red Jacket Orchard, Finger Lakes, 106 jobs retained, pledged 17 new jobs
- Sigma LLC, Finger Lakes, 236 jobs retained, pledged 60 new jobs
- Diamond Paper, Finger Lakes, 214 jobs retained, pledged 100 new jobs
- Data Listing Services, Finger Lakes, pledged 450 new jobs
- Hammer Packaging, Finger Lakes, 396 jobs retained, pledged 25 new jobs
- Zotos International, Finger Lakes, 338 jobs retained, pledged 21 new jobs
- OyaGen, Finger Lakes, 1 job retained, pledged 10 new jobs