



JOB DEVELOPMENT AUTHORITY

A DESCRIPTION OF THE AUTHORITY'S OPERATIONS AND ACCOMPLISHMENTS

Fiscal Year 2018-2019

OVERVIEW

The New York Job Development Authority ("JDA") 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 Measures

The following performance measures are used annually to evaluate whether the JDA is fulfilling its mission:

- 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; and
- Number of transaction approved by the Authority during the reporting period.

As Department of Economic Development Commissioner, Howard Zensky, is chair of the JDA Board. Empire State Development is the umbrella organization for the JDA.

PROGRAM

The JDA Direct Loan Program provides direct loans for the growth of manufacturing and other eligible businesses within New York State by assisting in: 1) financing a portion of the cost of acquiring and renovating existing buildings; 2) financing the construction of new buildings; 3) and/or purchasing machinery and equipment. Funds for loans are derived from the sale of state-guaranteed bonds.

HIGHLIGHTS

During FY 2018-2019, 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 one loan for a project evidencing firm commitments from responsible financial sources for the total project costs, exclusive of any loan request from the Authority. The total JDA Board approved amount of the loan was \$2,231,010. Pursuant to Article 8 of Title 8 of the Public Authorities Law, this project was approved prior to its actual commencement. Closing on the Authority's loans and disbursement of its funds occurs upon project completion. 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. It is noted that staff made significant effort to identify and analyze transactions that for various reasons staff determined were not eligible for presentation to the Members.

Ten previously approved loans, totaling a combined \$4,861,540.40 closed in FY 2018-2019, leveraging \$4,779,144 in private investment. Of the ten loans closed in FY 2018-2019, it is anticipated that two of these project loans totaling \$2,361,540.40 will result in the creation of 54 jobs as well as the retention of an additional 152 jobs. The remaining eight loans totaling \$2,500,000 were part of an aggregate \$10,000,000 to establish the JDA Agriculture Loan Program. The JDA Agriculture Loan Program was created in order to make loans to lenders which will, in turn, provide financing to businesses that serve farmers and which would otherwise face difficulties in obtaining capital at a reasonable cost for establishing or expanding their enterprises and businesses.

No transaction went into default during FY 2018-2019. The Authority issued no bonds during the reporting period.