



JOB DEVELOPMENT AUTHORITY

A DESCRIPTION OF THE AUTHORITY'S OPERATIONS AND ACCOMPLISHMENTS

Fiscal Year 2019-2020

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 transactions approved by the Authority during the reporting period.

As Department of Economic Development Commissioner, Eric Gertler 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 2019-2020, 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 \$3,212,757. 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).

Due to 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. Additionally, staff scrutinized many transactions that were determined to be ineligible for various reasons, which were never presented to Members for consideration.

It is anticipated that the approved project of \$3,212,757 will leverage \$2,141,839 in private capital while retaining 57 jobs and creating 31 new jobs. Five new loans totaling \$1,881,000 were approved as part of an aggregate \$10,000,000 that established the JDA Agriculture Loan Program. It is anticipated that the five JDA agriculture loans will leverage \$1,528,500 in private capital while retaining 10 jobs and creating an additional 9 jobs. The JDA Agriculture Loan Program was created in order to make loans to lenders which will, in turn, provide financing to businesses that serve the Agriculture industry which would otherwise face difficulties in obtaining capital at a reasonable cost for establishing or expanding their enterprises and businesses.

Two transactions went into default during FY 2019—2020. The transactions, a machinery and equipment loan and a real estate loan, were made to the same borrower. The total amount of delinquent principal is \$5,040,826. Resolution of these defaults is still pending.

The Authority issued no bonds during the reporting period.