



## **JOB DEVELOPMENT AUTHORITY**

### **A DESCRIPTION OF THE AUTHORITY'S OPERATIONS AND ACCOMPLISHMENTS**

Fiscal Year 2020-2021

#### **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 delinquent transactions
- Number of transactions in default
- 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:

- Financing a portion of the cost of acquiring and renovating existing buildings
- Financing the construction of new buildings
- Financing and/or purchasing machinery and equipment. Funds for loans are derived from the sale of state-guaranteed bonds.

#### **HIGHLIGHTS**

During FY 2020-2021, 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 \$1,340,000. 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). Measuring job creation and/or retention, and capital investment leveraged can only be properly done after project completion and closing. Therefore, the projects approved by the Authority this year have not yet resulted in reportable job creation/retention or capital leveraged. Staff made a considerable effort to identify and analyze 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 \$1,340,000 will leverage \$2,010,000 in private capital while retaining 28 jobs and creating seven new jobs. Fourteen new loans totaling \$1,106,060 were approved as part of an aggregate \$10,000,000 that established the JDA Agriculture Loan Program. It is anticipated that the 14 JDA Agriculture loans will leverage \$6,857,573 in private capital, while retaining 49 jobs and creating an additional 32 jobs. The JDA Agriculture Loan Program was created in order to make loans to lenders providing financing to businesses that serve the agriculture industry, and that would otherwise face difficulties in obtaining capital at a reasonable cost for establishing or expanding their enterprises and businesses.

No transactions went into default during FY 2020-2021.

The Authority issued no bonds during the reporting period.