

EMPIRE STATE DEVELOPMENT CORPORATION

MISSION

The Empire State Development Corporation (ESDC) — formerly the Urban Development Corporation (UDC) — is a New York State public benefit corporation. It is engaged in four principal activities: economic and real estate development; State facility financing; housing portfolio maintenance; and privatization initiatives.

ECONOMIC AND REAL ESTATE DEVELOPMENT

The Corporation provides financial and technical assistance to businesses, local governments and community-based not-for-profit corporations for economic development and large-scale real estate projects that create and/or retain jobs and reinvigorate distressed areas.

STATE FACILITY FINANCING

The Empire State Development Corporation issues bonds to finance the construction and modernization of correctional facilities and other special projects for the State. Debt service on these bonds is paid from appropriations by the State.

HOUSING PORTFOLIO MAINTENANCE

In the early 1970's, the Urban Development Corporation built 113 large-scale housing developments for low- to middle-income persons. The Corporation also built non-residential civic and industrial properties, including the Niagara Falls Convention Center, the Wards Island Fire Training Center, the Monroe County Fairgrounds, the Ten Eyck Plaza in Albany, and public school facilities in Buffalo, Manhattan, the Bronx, and Brooklyn. Since the mid-1970's, activity in this area has been limited to the monitoring and loan servicing of projects.

PRIVATIZATION INITIATIVES

The Corporation is charged with facilitating efforts by State agencies and authorities to privatize State functions and assets.

ORGANIZATION AND STAFFING

In 1995, the Governor's Commissioner of Economic Development reorganized and streamlined the State's economic development agencies, including the Urban Development Corporation, the Department of Economic Development (DED), the Job Development Authority (JDA) and the Science and Technology Foundation (STF). The Corporation now encompasses both UDC and JDA, and DED now administers STF programs. The Department of Economic Development and the Empire State Development Corporation remain distinct entities, but both are headed by the Commissioner of Economic Development and share senior managers. The Corporation will have a workforce of 317 in 1999-2000. From the Corporation's central office in New York City, a Chief Operating Officer is responsible for day-to-day operations. The Corporation and Department of Economic Development share ten regional offices.

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OVERSIGHT

The Corporation is governed by a nine-member Board of Directors comprising two ex-officio members and seven members appointed by the Governor with the consent of the Senate. The Chair of the Empire State Development Corporation Board is selected by the Governor and also serves as the Commissioner of Economic Development. Board members serve without compensation.

SUBSIDIARIES

The Corporation's Board of Directors is authorized to create subsidiaries to manage specific projects or economic development activities. Subsidiaries have been established to: (1) formulate policies and initiatives to promote economic growth in Harlem; (2) redevelop Times Square, including the condemnation and acquisition of blighted properties and recruitment of prospective tenants; (3) plan and oversee a mixed-use development on 74.5 acres on the East River in Queens County; and (4) redevelop the U.S. Postal Service facility known as the Farley Building in connection with the New York City Amtrak Train Station Redevelopment project.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

- The Empire State Development Corporation's activities are funded from State General Fund appropriations and corporate revenues generated by Corporation-owned residential and non-residential properties and by its financing programs. The Corporation's operating budget will be entirely supported by corporate revenues in 1999-2000.
- The Executive Budget will provide \$117 million in support for economic development initiatives, including: the JOBS NOW program for large-scale projects which will create new jobs; the Empire State Economic Development Fund for projects that create or retain jobs; the Urban and Community Development and Minority- and Women-Owned Business Development and Lending programs; military base re-use and retention initiatives; projects in the Upper Manhattan/South Bronx Empowerment Zone; and construction of a new trading center for the New York Stock Exchange.

PROGRAM HIGHLIGHTS

The Empire State Development Corporation administers economic development programs which:

- Provide low-cost loans and grants to businesses to help cover the cost of machinery and equipment purchases, factory improvements, training and business incubator development;
- Provide financial assistance for projects ranging from development of or improvements to commercial or retail facilities, tourism destinations, child care facilities, and commercial centers;
- Assist minority- and women-owned businesses, including programs administered in cooperation with local development organizations and community-based financial institutions;
- Provide funding for the economic development initiatives in distressed urban communities; and
- Provide funding for military base retention and redevelopment efforts.

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ALL FUNDS APPROPRIATIONS

Category	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations
Aid To Localities	\$135,767,600	\$117,004,100	-\$18,763,500	\$12,600,000
Capital Projects	350,000,000
Total	\$135,767,600	\$117,004,100	-\$18,763,500	\$362,600,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund	\$135,767,600	\$117,004,100	-\$18,763,500
Total	\$135,767,600	\$117,004,100	-\$18,763,500

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Payments to Municipalities General Fund	\$4,100	\$4,100
Economic Development General Fund	135,763,500	117,000,000	-\$18,763,500
Total	\$135,767,600	\$117,004,100	-\$18,763,500

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Comprehensive Construction Programs	Available 1998-99	Recommended 1999-00	Change	Reappropriations 1999-00
Regional Development Capital Projects Fund	\$350,000,000
Total	\$350,000,000