



**EMPIRE STATE NEW MARKET CORPORATION**

At the offices of the  
New York State Urban Development Corporation  
d/b/a Empire State Development  
633 Third Avenue – 37<sup>th</sup> Floor Conference Room  
New York, New York 10017

Meeting of the Directors

Monday  
March 18, 2024 – 1:00 p.m.

AGENDA

I. CORPORATE ACTIONS

- A. Approval of the Minutes of the December 18, 2023, Directors' Meeting
- B. Empire State New Market Corporation FY 2024-25 Operating Budget – Approval of the Corporation's Operating Budget for the Fiscal Year ("FY") 2024-25 (April 1, 2024– March 31, 2025)

**Item I. A.**

**EMPIRE STATE NEW MARKET CORPORATION**

Meeting of the Directors  
Held at the Offices of  
Empire State Development  
37<sup>th</sup> Floor Conference Room  
633 Third Avenue  
New York, NY 10017

With videoconferencing to:

Empire State Development – Albany Offices  
625 Broadway  
8<sup>th</sup> Floor Conference Room  
Albany, New York 12245

And:

Empire State Development – Buffalo Regional Offices  
95 Perry Street  
5<sup>th</sup> Floor Conference Room  
Buffalo, NY 14203

December 18, 2023

**MINUTES**

**In Attendance**

**Directors:** Kevin Younis, Acting Chair (Via Videoconference)  
Edwin Lee  
Paul Tronolone (Via Videoconference)

**ESNMC Staff:** Yvonne Cooper, Acting Corporate Secretary  
Jonevan Hornsby, President

**ESD Staff:** Matthew Acocella, Associate Counsel  
Eugene Kwiatkowski, Senior Director of Budgeting  
Tiffany Bowie, Director – Subsidiary Finance

The meeting of the Empire State New Market Corporation (“ESNMC” or the “Corporation”) was called to order at approximately 9:00 a.m.

Acting Chair Younis noted for the record that the meeting will be webcast and the public had been given the opportunity to comment on the meeting’s Agenda items by submitting their written comments before 4:30 p.m. on Thursday and no comments were received.

Acting Chair Younis then stated that the Directors had received the relevant written materials in advance of the meeting and were free to ask questions at any time.

Before beginning with the substantive portion of the meeting, Acting Chair Younis asked the Directors whether anyone had any potential conflict of interest regarding any of the items on the proposed Agenda. He asked, if so, that the appropriate disclosure be made on the record to ensure that the Director is recused from any discussion or vote regarding such item(s). No comments were noted.

Acting Chair Younis then called for a motion to approve the Minutes of the October 16, 2023 Directors’ Meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT OCTOBER 16, 2023 AND MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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RESOLVED, that the Minutes of the meeting of the Corporation held on October 16, 2023, as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

Next, Acting Chair Younis called on Jonevan Hornsby, President of the Empire State New Market Corporation (“ESNMC”), to present the next item on the Agenda for the Directors’ consideration.

Mr. Hornsby explained that the Directors were being asked to adopt certain amended and restated by-laws of the Empire State New Market Corporation and take related actions.

Mr. Hornsby noted that ESNMC has been certified by the Community Development Financial Institution (“CDFI”) as a qualified community development entity and was awarded an allocation of \$45 million of New Markets Tax Credits (“NMTC”) in the calendar year 2021 allocation round and \$50 million in the calendar year 2022 allocation round.

Mr. Hornsby further noted that ESNMC plans to apply for future NMTC allocations and in reviewing the existing by-laws, ESNMC staff determined that the frequency of the meetings of the advisory board should be updated to be consistent with the typical advisory board meeting schedule.

Mr. Hornsby also noted that staff recommends that ESNMC adopt certain amended and restated by-laws with respect to the governance of the affairs of the Corporation. Specifically, Section 3.3 – manner of acting of the by-laws is being amended to specify that the ESNMC Advisory Board shall meet at least twice annually or more frequently as needed in connection with the Corporation’s activities; and Section 2.10 – compensation of directors is being edited

for clarity by removing the term “or officer”, as Section 4.13 address the compensation of officers of the Corporation.

The Chair then called for any further questions or comments. Hearing none, and noting no comments were received from the public, upon motion duly made and seconded, the following Resolution was unanimously adopted:

EMPIRE STATE NEW MARKET CORPORATION – Amended and Restated Bylaws –  
Authorization to Adopt Amended and Restated Bylaws and to Take Related Actions

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At a meeting duly called at which a quorum was present and acting throughout, the Board of Directors (the “Board”) of **EMPIRE STATE NEW MARKET CORPORATION**, a New York corporation (the “Corporation”), adopted the following action for and on behalf of the Corporation:

**WHEREAS**, the Corporation has been certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a “qualified community development entity” (a “CDE”), as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”), the Treasury Regulations and the related guidance, and the Corporation (i) has entered into an Allocation Agreement (the “CY 2021 Allocation Agreement”) with the CDFI Fund in connection with a calendar year (CY) 2021 allocation of new markets tax credits under Section 45D of the Code (“NMTCs”) in the amount of \$45,000,000 (the “CY 2021 Allocation”) and (ii) has entered into or will enter into an Allocation Agreement (the “CY 2022 Allocation Agreement,” and together with the CY 2021 Allocation Agreement, the “Allocation Agreements”) with the CDFI Fund in connection with a calendar year (CY) 2022 allocation of NMTCs in the amount of \$50,000,000 (the “CY 2022 Allocation,” and together with the CY 2021 Allocation, the “Allocations”);

**WHEREAS**, the Board of Directors wishes to adopt the Amended and Restated Bylaws of the Corporation attached here to as Exhibit A (the “Amended and Restated Bylaws”) with respect to the governance of the affairs of the Corporation;

**WHEREAS**, the Board of Directors has determined that the adoption of the Amended and Restated Bylaws is in the best interests of the Corporation;

**NOW, THEREFORE, BE IT:**

**RESOLVED**, that the Bylaws are hereby approved in all respects by the Board of Directors; and it is further

**RESOLVED**, that the President, Secretary, Treasurer, any Vice President, Chief Financial Officer or General Counsel of the Corporation (each a “Principal Officer”), are authorized, empowered and directed to take any and all action necessary to effectuate the purpose and

intent of the foregoing resolutions, including, without limitation, (i) the execution and delivery on behalf of the Corporation of any agreements, documents and instruments, and the performance by the Corporation thereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate or advisable, and (ii) the consummation of the transactions contemplated hereby and the performance by the Corporation as required hereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate or advisable, each such determination pursuant to the immediately preceding clauses (i) and (ii) to be conclusively evidenced by the taking of any such action by any officer of the Corporation and each such determination is hereby fully and completely approved and adopted as the valid action of and by the Corporation approved in all respects by the Board of Directors; and it is further

**RESOLVED**, that all acts and deeds heretofore done by any officer of the Corporation for and on behalf of the Corporation in developing, implementing or approving the Amended and Restated Bylaws or performing any of the transactions contemplated thereby or in carrying out the terms and intentions of these resolutions, are hereby ratified, approved and confirmed in all respects.

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Acting Chair Younis then called on Mr. Hornsby to present the next item on the Agenda for the Directors' consideration.

Mr. Hornsby explained that the Directors were being asked to approve authorization to sign and file a calendar year 2023 NMTC allocation application and take related actions.

Mr. Hornsby noted that ESNMC has received four allocations of federal NMTCs from the CDFI fund totaling \$180 million and plans to apply for a fifth allocation of up to \$63 million on or before December 19, 2023.

Mr. Hornsby further noted that this application reflects ESNMC's strategy, past successful projects, potential future projects, ongoing management capacity and other related ESNMC experience to enhance its qualifications to obtain a new allocation of NMTCs.

The Acting Chair asked for clarification regard the year of the application and the amount of funding.

Mr. Hornsby confirmed that the Directors are being asked to approve the 2023 application and that the amount is \$63 million.

Director Tronolone asked whether this application is the one the Corporation had been vetting in the pipeline over the last several months, or if the vetting was for existing allocation.

Mr. Hornsby stated yes to both questions and explained that it was for this application, but because ESNMC recently received a new award, the Corporation is vetting for both deployment of that allocation and for the pipeline of any subsequent allocation ESNMC may receive as a result of this application.

The Acting Chair then called for any further questions or comments. Hearing none, and noting no comments were received from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

EMPIRE STATE NEW MARKET CORPORATION – New Markets Tax Credit Allocation Application – Authorization to Sign and File a Calendar Year 2023 New Market Tax Credit Allocation Application; and to Take Related Actions

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RESOLVED, that the Corporation is authorized to sign and file a calendar year 2023 New Market Tax Credit allocation application on substantially the terms and for the purposes set forth in the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, with such changes as the President or his designee(s) may deem appropriate. Any actions previously taken by the Corporation in furtherance of the actions authorized herein are hereby ratified and approved.

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Acting Chair Younis then called on Mr. Hornsby to present the next item on the Agenda for the Directors' consideration.

Mr. Hornsby explained that the Directors were being asked to adopt certain procedures for financial diligence, analysis and consideration. ESNMC was awarded an allocation of \$45 million of NMTCs in the calendar year 2021 allocation round and was recently awarded an allocation of \$50 million in the calendar year 2022 allocation round.

Mr. Hornsby further explained that with its NMTC allocations, ESNMC intends to review, select and close on financing several NMTC projects and staff recommends that ESNMC adopt certain procedures of financial diligence, analysis and considerations to be implemented in connection with the review and selection of the NMTC projects that will be financed with the proceeds of qualified equity investments received by subsidiary Community Development Entities ("CDE's") of ESNMC.

Mr. Hornsby explained that these procedures are being promulgate and recommended for adoption in response to recent guidance issued by the U.S. Department of Treasury CDFI Fund.

The Acting Chair called for any questions or comments. Hearing none, and noting no comments were received from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

EMPIRE STATE NEW MARKET CORPORATION – Authorization to Adopt Procedures for Financial Diligence, Analysis and Considerations and to Take Related Actions

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At a meeting duly called at which a quorum was present and acting throughout, the Board of Directors (the “Board”) of **EMPIRE STATE NEW MARKET CORPORATION**, a New York corporation (the “Corporation”), adopted the following action for and on behalf of the Corporation:

**WHEREAS**, the Corporation has been certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a “qualified community development entity” (a “CDE”), as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”), the Treasury Regulations and the related guidance, and the Corporation (i) has entered into an Allocation Agreement (the “CY 2021 Allocation Agreement”) with the CDFI Fund in connection with a calendar year (CY) 2021 allocation of new markets tax credits under Section 45D of the Code (“NMTCs”) in the amount of \$45,000,000 (the “CY 2021 Allocation”) and (ii) has entered into or will enter into an Allocation Agreement (the “CY 2022 Allocation Agreement,” and together with the CY 2021 Allocation Agreement, the “Allocation Agreements”) with the CDFI Fund in connection with a calendar year (CY) 2022 allocation of NMTCs in the amount of \$50,000,000 (the “CY 2022 Allocation,” and together with the CY 2021 Allocation, the “Allocations”);

**WHEREAS**, the Board of Directors wishes to adopt the Procedures for Financial Diligence, Analysis and Considerations attached here to as Exhibit A with respect to the use of proceeds of “qualified equity investments” (as such term is defined in the Code) received by subsidiary allocatees of the Corporation in connection with the Allocations and other allocations of NMTCs (the “Underwriting Procedures”);

**WHEREAS**, the Board of Directors has determined that the adoption of the Underwriting Procedures is in the best interests of the Corporation;

**NOW, THEREFORE, BE IT:**

**RESOLVED**, that the Underwriting Procedures are hereby approved in all respects by the Board of Directors; and it is further

**RESOLVED**, that the President, Secretary, Treasurer, any Vice President, Chief Financial Officer or General Counsel of the Corporation (each a “Principal Officer”), are authorized, empowered and directed to take any and all action necessary to effectuate the purpose and intent of the foregoing resolutions, including, without limitation, (i) the execution and delivery on behalf of the Corporation of any agreements, documents and instruments, and the performance by the Corporation thereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate or advisable, and (ii) the consummation of the transactions contemplated hereby and the performance by the Corporation as required hereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate or advisable, each such determination pursuant to the immediately preceding clauses (i) and (ii) to be conclusively evidenced by the

taking of any such action by any officer of the Corporation and each such determination is hereby fully and completely approved and adopted as the valid action of and by the Corporation approved in all respects by the Board of Directors; and it is further

**RESOLVED**, that all acts and deeds heretofore done by any officer of the Corporation for and on behalf of the Corporation in developing, acknowledging or implementing the Underwriting Procedures or performing any of the transactions contemplated thereby or in carrying out the terms and intentions of these resolutions, are hereby ratified, approved and confirmed in all respects.

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Next, the Acting Chair called on Jonevan to present the next agenda item as it relates to a contract for accounting services.

Mr. Hornsby explained that the Directors were being asked to approve the authorization to enter into a contract with CohnReznick LLP to provide accounting services in connection with current allocations and potential future allocations of federal NMTCs and deployment thereof.

Mr. Hornsby further explained that on September 5, 2023, ESNMC issued an RFP to solicit proposals for NMTC accounting services. The RFP was posted on ESD’s website and responses were due on October 11, 2023; one response was received from CohnReznick LLP. The contract will be for a period of four years under the terms outlined in the materials in the amount of \$500,000, and the funding sources are ESNMC fees and operating funds.

The Acting Chair called for any questions or comments. Hearing none, and noting no comments were received from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

EMPIRE STATE NEW MARKET CORPORATION – Accounting Services - Authorization to Enter into a Contract to Provide Accounting Services to the Corporation and to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds CohnReznick LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with CohnReznick LLP in an amount not to exceed five hundred thousand dollars (\$500,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

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Acting Chair Younis called on Mr. Hornsby to present the next item on the Agenda related to a consulting services contract for the Directors’ consideration.

Mr. Hornsby explained that on September 5, 2023, an RFP for NMTC consulting services was posted on ESD’s website and responses were due October 11, 2023. Rise Community Capital LLC was the only response; therefore, staff recommends Rise be awarded the contract for a period of four years under the terms outlined in the materials. The maximum contract amount is \$2 million, and the funding sources are ESNMC fees and operating funds.

Mr. Hornsby noted that pursuant to the State Finance Law and the Corporation’s policy related thereto, staff considers the vendor for the proposed contract to be responsible.

Acting Chair Younis asked if a certain amount of pay was based on the allocation.

Mr. Hornsby stated that that was correct and that ESNMC receives a fee for transactions that are closed. He also noted that Rise’s compensation will come from a percentage of the fee.

Acting Chair Younis then asked if Rise’s total compensation were to exceed \$2 million, this item would need to come back to the board for approval.

Mr. Hornsby stated that this item would then have to come back for an amendment.

Acting Chair Younis then asked if this was posted in the Contract Reporter.

Mr. Hornsby stated that it was posted in the Contract Reporter.

The Acting Chair then called for any further questions or comments. Hearing none, and noting no comments were received from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

EMPIRE STATE NEW MARKET CORPORATION – Consulting Services - Authorization to Enter into a Contract to Provide Consulting Services to the Corporation and to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Rise Community Capital LLC to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Rise Community Capital LLC in an amount not to exceed two million dollars (\$2,000,000) for the

purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

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The Acting Chair called on Mr. Hornsby to present the last item on the Agenda for the Directors' consideration.

Mr. Hornsby explained that the Directors were being asked to approve the allocation of up to \$15 million in federal NMTCs for the purpose of enabling the subsidiary CDE to make loans to Cimolai-HY, Inc. to be used to purchase machinery and equipment for its new machinery manufacturing facility in Olean, New York and to delegate authority to the President of ESNMC, or his designee, to take all actions with respect to such allocation of NMTCs.

Mr. Hornsby further explained that Cimolai-HY is a new company that will produce fabricated steel for large infrastructure projects, such as bridges, industrial facilities, sports stadiums, commercial buildings, and green energy projects such as Green Path and Offshore Wind.

Mr. Hornsby noted that the company acquired the former Dresser-Rand Siemens Energy Industrial facility in Olean in 2022 and will rehabilitate and expand the facility to create a state-of-the-art manufacturing plant. 800 jobs were lost when the plant closed in 2021 and this investment will bring back 250 of those jobs.

Mr. Hornsby further noted that the project consists of 13 buildings that total approximately 945,000 square-feet of manufacturing plants, office buildings and storage and testing buildings and will cost approximately \$54.6 million.

Following the full presentation, the Acting Chair called for questions or comments from the Directors. Director Lee asked when will the project be completed and when will they begin creating jobs.

Mr. Hornsby stated that the project is expected to close on the NMTC financing sometime in the first quarter of 2024 and production is expected to begin in the second quarter of 2024 with the goal to reach full production by 2029.

Acting Chair Younis stated that Cimolai is connected to Related Companies, and he wanted to know what is Related's expertise in manufacturing fabricated steel.

Mr. Hornsby stated Related Companies will be partnering with a technical partner Cimolai, which is based in Italy and manufactures fabricated steel, which is where the expertise comes from.

Acting Chair Younis then called for any further questions or comments. Hearing none, and noting no comments were received from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

EMPIRE STATE NEW MARKET CORPORATION – New Markets Tax Credit Sub-Allocation to provide financing for the purchase of equipment for Cimolai-HY LLC’s steel fabrication manufacturing facilities – Authorization to Adopt the Proposed General Project Plan (the “GPP”); Authorization to Sub-Allocate New Markets Tax Credits (“NMTCs”); Perform Certain Acts in Connection with the Sub-Allocation of NMTCs to an ESNMC Subsidiary CDE; Close the NMTC Transaction and Take All Related Actions

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WHEREAS, Empire State New Market Corporation, a New York corporation (the “Corporation”), has been certified by the Community Development Financial Institutions Fund (the “CDFI Fund”) as a “qualified community development entity” (a “CDE”), as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”), the Treasury Regulations and the related guidance, and the Corporation has entered into or will enter into an Allocation Agreement (the “Allocation Agreement”), with the CDFI Fund in connection with a calendar year 2022 allocation of NMTCs under Section 45D of the Code in the amount of \$50,000,000 (the “Allocation”);

WHEREAS, the Corporation desires to sub-allocate to ESNMC Subsidiary CDE XIV, LLC, a New York limited liability company, or another subsidiary CDE of the Corporation (the “Subsidiary CDE”), up to \$15,000,000 in NMTC authority from the Corporation's Allocation (the “Sub-Allocation”) in connection with the proposed investment to Cimolai-HY LLC (the “Borrower”) to finance equipment purchases for the steel fabrication manufacturing facilities in Olean, New York (the “Project”) as described in the GPP;

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the UDC Act, the proposed GPP for the Project submitted to this meeting, together with such changes therein as the President of the Corporation or his designee(s) may deem appropriate, a copy of which GPP, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to cause the Corporation to make to the Subsidiary CDE, the Sub-Allocation for the purposes of making NMTC financing available to the Project described in the GPP, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President of the Corporation or his designee(s) may deem appropriate, and be it further

RESOLVED, that pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the location of the Project; and be it further

RESOLVED, that the President of the Corporation or his designee(s) be, subsequent to the

making of the Sub-Allocation, and each of them hereby is, authorized to cause the Corporation to take such actions and make such modifications to the terms of the Sub-Allocation as he or she may deem necessary or appropriate in the administration of the Allocation; and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation acting in its own capacity, or as managing member of the Subsidiary CDE, to negotiate, issue, execute and deliver any and all transaction documents and instruments, including but not limited to, operating agreement(s), loan and security agreements, indemnity agreement(s), fee agreements, asset management agreements, bank accounts, account control agreements, disbursement agreements, and any other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications (collectively, the "Transaction Documents"), and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions, including such modifications to the terms of the transaction as he or she may deem necessary or appropriate and reasonably consistent with the GPP. Any actions previously taken by the Corporation in furtherance of the GPP are hereby ratified and approved.

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There being no further business, the meeting was adjourned at 9:30 a.m.

Respectfully submitted,

Yvonne M. Cooper  
Acting Corporate Secretary

# **Item I. B.**



FOR CONSIDERATION

March 18, 2024

TO: The Directors

FROM: Jonevan C. Hornsby

SUBJECT: Empire State New Market Corporation  
FY 2024-25 Operating Budget

REQUEST FOR: Approval of the Corporation's Operating Budget for the Fiscal Year ("FY") 2024-25 (April 1, 2024 – March 31, 2025)

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I. Summary

New York State Finance Law requires that prior to the commencement on April 1 of each new fiscal year, the Directors of Empire State New Market Corporation ("ESNMC" or the "Corporation") adopt an annual operating budget. Approval is hereby requested for the proposed FY2024-25 Operating Budget (April 1, 2024 – March 31, 2025).

II. Background

ESNMC was incorporated in 2004 for the purpose of applying for an allocation of federal New Markets Tax Credits ("NMTCs") from the Department of Treasury's Community Development Financial Institutions ("CDFI") Fund. ESNMC has received four allocations of NMTCs from the CDFI Fund to date totaling \$180 million, including consecutive awards in the 2021 and 2022 rounds, amounting to \$45 million and \$50 million, respectively. ESNMC is deploying the allocations consistent with the related NMTC applications and allocation agreements with the CDFI Fund. In December 2023, ESNMC submitted an NMTC allocation application requesting a new \$63 million allocation; ESNMC is currently awaiting notification from the CDFI Fund. ESNMC continues to service its closed transactions and expects to deploy its current NMTC allocations during the 2024 and 2025 calendar years. The ESNMC board of directors is thus presented with the following proposed Operating Budget for Fiscal Year 2024-25. (ESNMC's 2024-25 fiscal year coincides with that of its parent, the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"), so both fiscal years start on April 1 and end on March 31.)

ESNMC revenues come from fees charged on transactions. In FY2022-23, ESNMC revenue was approximately \$842,000. In FY2023-24, ESNMC revenue is projected to be approximately \$1.6 million. And in FY2024-25, revenue is projected to be approximately \$2.1 million (assuming 40% of its \$45 million allocation and 50% of its \$50 million allocation are deployed) primarily from fees from newly closed transactions. If ESNMC receives a new NMTC allocation, then FY2024-25 revenue will likely be even higher. In addition to the expenses funded by fees ESNMC receives from transactions, ESNMC incurs certain transaction-specific consulting expenses that are paid by borrowers directly from transaction closing proceeds; such expenses (and the reimbursements associated therewith) have been excluded from this budget. However, these transaction-specific consulting expenses have been factored into the maximum contract amounts for the relevant legal, accounting, and consulting contracts.

III. Budget Synopsis

The proposed FY2024-25 Operating Budget reflects \$939,864 of expenses. \$423,000 of those expenses is projected for personal services; \$400,000 is projected as fees to ESNMC's consultant, Rise Community Capital, for preparation of a 2024 NMTC allocation application and assistance with allocation deployment, and \$100,000 is projected for legal and accounting services associated with closed NMTC transactions. The remaining \$16,864 is projected for insurance and other non-personal services. The expenses will consist primarily of payments for the following:

- Personal Services (45%)
- Consulting Fees (42%)
- Legal / Accounting Fees (11%)
- Insurance and Other Expenses (2%)

V. Environmental Review

Approval of the Corporation's Operating Budget for FY2024-25 constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with this request.

VI. Requested Action

The Directors are requested to approve the attached proposed ESNMC budget for FY2024-25.

VII. Attachments

Resolution  
Fiscal Year 2024-25 Proposed Operating Budget

March 18, 2024

EMPIRE STATE NEW MARKET CORPORATION – Empire State New Market Corporation FY 2024-25  
Operating Budget – Approval of the Corporation’s Operating Budget for the Fiscal Year (“FY”) 2024-25  
(April 1, 2024 – March 31, 2025)

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RESOLVED, that the Corporation hereby adopts the proposed Fiscal Year 2024-25 budget on substantially the terms and for the purposes set forth in the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, with such changes as the President or his designee(s) may deem appropriate.

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Empire State Development  
Empire State New Markets Corporation  
FY 2024-25 Proposed Operating Budget

	Board Approved Budget FY 2023-24	Proposed Budget FY 2024-25
<u>PERSONAL SERVICES</u>		
Salaries	\$ -	\$ 300,000
Fringe Benefits	-	123,000
<b>TOTAL PERSONAL SERVICES</b>	<b>\$ -</b>	<b>\$ 423,000</b>
HEADCOUNT	0	2
<u>NON-PERSONAL SERVICES</u>		
Professional Fees		
Legal / Accounting Fees	\$ 100,000	\$ 100,000
Consultant Fees	300,000	400,000
<b>Total Professional Fees</b>	<b>\$ 400,000</b>	<b>\$ 500,000</b>
Other Non-Personal Services		
Employee Travel & Meals	\$ 4,000	\$ 4,000
On-line Services/ Due & Subscriptions	3,500	3,500
Office Occupancy Expenses	-	-
Insurance	7,846	7,114
Other Outside Services	1,250	1,250
Telephone/Internet	1,000	1,000
Office Supplies and Expense	-	-
Computers/Software/Equipment	-	-
<b>Total Other Non Personal Services</b>	<b>\$ 17,596</b>	<b>\$ 16,864</b>
<b>TOTAL NON-PERSONAL SERVICES</b>	<b>\$ 417,596</b>	<b>\$ 516,864</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 417,596</b>	<b>\$ 939,864</b>