

FOR IMMEDIATE RELEASE:
June 1, 2009

**NEW YORK STATE COMMISSION ON ASSET MAXIMIZATION DELIVERS
FINAL REPORT TO GOVERNOR PATERSON**

Report Contains 27 Major Recommendations to Help Create Jobs, Generate Economic Activity, Benefit Colleges and Universities across New York State

Governor Calls for Creation of State Asset Maximization Board to Provide Oversight Process for Potential Public-Private Partnerships

Governor David A. Paterson today accepted the final report from the New York State Commission on Asset Maximization. The Commission was charged with broadly examining whether asset maximization can benefit the State, as well as whether any specific New York assets are suitable candidates for Public-Private Partnerships (PPPs). The final report contains 27 major recommendations to help create jobs, generate economic activity and benefit colleges and universities across New York State. Some of the key recommendations include: school construction and renovation in Syracuse and Yonkers; 300 bridge renovations in all corners of the State; wind power on the Great Lakes; and high speed rail.

In addition to outlining specific project ideas that could be effective long-term projects, the report also recommends the creation of a State Asset Maximization Board to screen, oversee and implement PPPs. The State Asset Maximization Board will serve as an entry point for new ideas, provide continuous oversight and transparency, and enable New York State to tap into New York's best and brightest minds – across the public and private sectors. The Board would be unsalaried.

“In the midst of these economic challenges, we must now, more than ever, make long-term investments to spur economic growth and think creatively about innovative ways to enhance the performance of vital infrastructure assets,” said Governor Paterson. “This report provides us with a series of ideas for asset maximization projects that could accelerate construction, jumpstart job creation, and provide for substantial savings in the years to come.”

“I want to thank Commission Chairman Carl McCall, Executive Director Samara Barend and all of the Commission members for their diligent and thorough work over the past several months to evaluate New York State's assets and to determine the types of projects that could be effective,” the Governor added. “We must identify creative funding solutions to help pay for the State's vital infrastructure needs and this report has done just that. It will serve as an important first step to develop a broad, long-term plan that will help secure our State's finances for years to come.”

Commission Chairman H. Carl McCall said: “After consulting a wide variety of public and private entities throughout New York, across the country and beyond our own borders, we are pleased to present Governor Paterson with a report that we strongly

believe will position New York State to take advantage of numerous opportunities and provide a roadmap for long-term, strategic investment in our assets. I want to thank the members and staff of this commission who have devoted substantial time and effort to understand these complex issues, asset classes and the successes and failures associated with other public-private collaborations. I look forward to continuing to work with the Administration to move these ideas forward.”

The Commission recognizes that New York has extensive experience with PPPs across a variety of asset classes including both the creation and operation of new assets and the reallocation of operational responsibility of existing assets. Some of the most effective examples of successful PPPs across the State include reducing the public costs of maintaining Central Park and the construction of new schools in Rensselaer, leveraging human capital at New York State Office of Science, Technology and Academic Research (NYSTAR), and utilizing private investment to complete JFK Terminal 4. These examples highlight the value and importance of successful PPPs and also the need for a more comprehensive and strategic approach to future projects.

The Final Report develops a framework for identifying future asset maximization projects, assessing the value of these projects, and ensuring the protection of public policy values throughout the entire process. Additionally, the Commission has identified several labor and environmental protections that should be considered in every asset maximization project. The 27 recommendations included in the report span six asset classes ranging from transportation, social infrastructure and higher education to energy, information technology and underutilized property. The pilot projects were selected as potential demonstration projects for PPPs based upon the spending need addressed, cost savings delivered, the private sector’s ability to partner, and the project’s regulatory and political feasibility. Each of these projects could be delivered in an accelerated time frame by utilizing the alternative financing and procurement approaches presented in the Report.

Some of the most innovative recommendations include:

- Allowing certain SUNY schools to lease campus property to private entities, providing new revenue streams to fend off future tuition hikes and keep campuses in pristine condition;
- Renovating hundreds of bridges across the state, from the Kosciuszko Bridge in New York City to the Robert Moses Causeway and many more;
- Placing privately owned wind turbines on offshore state property, generating clean, low cost energy while raising revenue for the state; and
- Bringing together the State Department of Transportation, private railroad companies and rail service providers to develop a high-speed rail link from New York City, to Albany to Buffalo.

On October 2, 2008, Governor Paterson created the New York State Commission on

State Asset Maximization by Executive Order No. 11. The Commission issued a Preliminary Report on December 15, 2008, which outlined the Commission's Guiding Principles, a set of criteria to be considered for determining whether a project is suitable for asset maximization, as well as opportunities for consideration in several asset classes.

The Commission held five hearings across the State in Albany, Buffalo, Long Island, New York City and Westchester. It received input through testimony, presentations, meetings, panels and its Request for Participation process from over 120 individuals and companies.

For more information about the New York State Commission on State Asset Maximization please visit: www.nysamcommission.org. The Commission's final report is available on: http://nysamcommission.org/pdf/SAM_FINAL_REPORT.pdf.

The following quotes were provided in support of the Commission on State Asset Maximization final report:

Senator Tom Libous said: "Governor Paterson, Chairman Carl McCall and Executive Director Sam Barend should be commended for taking a creative, problem-solving approach to the State's fiscal crisis with this Commission. That is the way we need to be thinking in these complicated times. There are some innovative and resourceful ideas in this report that are worth taking a closer look at."

Commission member Alan Trager said: "The Commission's recommendations offer us a path forward through an embrace of innovation, efficiency and collaboration."

Commission member David Ochoa said: "Citizen participation is a critical component for generating economic development and the Commission process has achieved that goal."

Empire State Development President & CEO Marisa Lago said: "In these challenging economic times, we must evaluate all of our State's assets to find funding solutions to help meet the State's infrastructure needs. I applaud the report's focus on creating jobs and ensuring future growth and investment across all regions of our State. The creation of the State Asset Maximization Board will allow us to share ideas, build public-private partnerships and adopt a more comprehensive, strategic approach to infrastructure projects. I applaud the Commission for its recommendations, which position our economy for future generations."

Executive Director of the Dormitory Authority of the State of New York Paul T. Williams, Jr. said: "This fiscal crisis presents a unique opportunity to explore more effective methods for planning, financing and delivering high-quality projects that benefit the people of the New York while also maximizing the impact of state assets and boosting our economy. The Dormitory Authority stands ready to partner with Governor Paterson to ensure that New York fully benefits from the common sense approaches identified in the State Asset Maximization Commission's report to more efficiently

leverage our state resources.”

Building Trades Employers Association President Louis Colletti said: “The BTEA applauds the Governor and the Commission on Asset Maximization for putting forth an innovative, cost-effective, and efficient means of building badly needed infrastructure projects. The Governor has uncovered a way to generate billions in development and thousands of new jobs by utilizing public-private partnerships to upgrade and expand our infrastructure.”

New York State School Board Association Executive Director Tim Kremer said: “The New York School Boards Association commends the members of Governor’s State Asset Maximization Commission for its thoughtful final report. It is chock full of recommendations to help our school districts save taxpayer resources and stretch those with which we are entrusted. The recommendation to enable the Yonkers and Syracuse school districts to participate in a pilot program to utilize public private partnerships as they undertake major school building construction projects is a laudable example. We are also very encouraged about action on two energy related recommendations that we have been pursuing for years, namely, leveraging New York’s fuel acquisition expertise and buying power to save schools and taxpayers’ money on energy purchases and also one stop shopping for schools with the State’s two energy authorities. Now it’s time for State leaders to act to save our strapped property taxpayers real dollars.”

New York Building Congress President Dick Anderson said: “The Commission on Asset Maximization has contributed an important understanding to future financing of New York State infrastructure and way of taking advantage of the State’s considerable assets. The New York Building Congress applauds the Commission’s consequential work and looks forward to helping bring its recommendations to fruition.”

Citizens Budget Commission President Carol Kellermann said: “New York has substantial infrastructure needs that require innovative new strategies. Public private partnerships have a proven track record of delivering projects better, faster and more cheaply than the public sector. The Commission has established good principles for undertaking selected projects in New York with this track record in mind, and not to address short-term budgetary gaps.”

Independent Power Producers of New York President and CEO Gavin Donahue said: “Many of the recommendations found within the report make a great deal of sense. We are particularly pleased that the Commission on State Asset Maximization joined the ever-growing list of industry and regulatory entities that recognize a comprehensive and workable statute is a critical element for the continued development of needed future energy supply.”

The American Council of Engineering Companies of New York President Del Dausman and Executive Director Jay Simon said: “ACEC New York applauds Governor Paterson and the Commission on State Asset Maximization for identifying additional ways to deliver our needed infrastructure programs during these more difficult economic times.

New York needs a financially sustainable program to ensure our social and economic future. By engaging the private sector, accessing private equity and building public-private partnerships, the citizens of New York will be the beneficiaries of these new development opportunities.”

The American Institute of Architects of New York State Executive Director Edward C. Farrell said: “We commend Governor Paterson for creating the Commission and we strongly support the recommendations of this final report. As stewards of the built environment, architects know full well that alternate project delivery methods, which are common in other states, will produce cost savings here in New York. Cost savings achieved by eliminating wasteful processes is even more necessary now, as we work toward a sustainable built environment. Taxpayers deserve no less and we call upon the legislature to enact such changes.”

Associated General Contractors of America of New York State CEO Jeffrey Zogg said: “As detailed in this report, New York State's infrastructure is rapidly deteriorating and requires increased public investment. Using an open, objective, and justified decision-making process, public-private partnerships and other alternative delivery methods can help finance critical capital projects that are the lifeblood of our economy. AGC NYS commends the Commission for their efforts to identify potential building and transportation projects that can be built using these arrangements and we look forward to working with Governor Paterson and the Legislature on this initiative.”

Alliance for Clean Energy New York Executive Director Carol E. Murphy said: “The energy recommendations are pragmatic, achievable and incorporate many of the proposals that we and our members sent to the Commission. This report sends the clear signal that New York understands the value of public-private partnerships in creating the green economy that we all are striving for.”

Long Island Contractors' Association Executive Director Marc Herbst said: “The Commission's report is a cogent road map for how best to ensure that the greatest federal infusion of dollars into New York since the Great Depression is spent wisely on public works. It also reminds us that bureaucracy cannot replace leadership. Indifference never built a bridge. And, as a State, we need to reorder our priorities so that we have the means and the drive to reinvent our public infrastructure. The authors of this report should be applauded and the Governor should be congratulated for insisting on a plan that gets us to the future.”

President and CEO of The Business Council of New York State, Inc. Kenneth Adams said: “The business community is pleased with the findings of the Commission. As we try to turn around New York's struggling economy, we know that investments in public-private partnership are needed more than ever to create and sustain economic growth. We look forward to making public-private partnerships a job creating reality in New York State.”

Partnership for New York City President & CEO Kathryn Wylde said: “The Commission

on Asset Maximization offers concrete proposals for how New York can use its public and private resources more creatively to avoid the type of crisis that has brought California to the point where it can no longer fund operations. Moving quickly on the SAM recommendations will help restore our state's fiscal health.”

General Contractors Association of New York Managing Director Denise Richardson said: “As we learned from the MTA finance debate, we can no longer rely solely on bonding and future revenue to fund our critical infrastructure needs. The poor condition of New York’s existing infrastructure and our need for new capacity far exceeds the State’s available financial resources, and we cannot assume that the federal government will fully cover New York’s needs. It is clear that we must find new ways of funding and building our infrastructure projects. The Commission on State Asset Maximization’s recommendations are an excellent start for evaluating new and creative financing and project delivery options.”

Empire State Transportation Alliance Co-Chair Kevin S. Corbett said: “The current crisis highlights the need for reaching beyond traditional government funding of vital transportation infrastructure and actually presents a real opportunity for accelerating such initiatives. ESTA appreciates the comprehensive and thorough effort that the Commission made in developing this Final Report. We look forward to working with the Governor and the legislature to help turn these ideas into real projects that will benefit the economy and our environment for years to come.”

Environmental Defense Fund Transportation Director Michael Replogle said: “If New York is to use public-private partnerships, it is important to see how they can be designed to improve environmental performance. We appreciate that the Commission on State Asset Maximization has recognized this in their recommendations.”

Regional Plan Association President Robert Yaro said: “The Asset Maximization Commission has recommended a comprehensive, responsible approach for attracting private capital to maintain and improve the State’s under-funded physical assets. As described in the Commission’s report, well-structured public-private partnerships can reduce costs, improve efficiency and increase investment. However, these arrangements are not panaceas, and require effective oversight and expertise to insure that public objectives are met. The proposed State Asset Maximization Board would provide this direction as well as a transparent process based on a sound set of principles. The proposed pilot projects must be evaluated separately based on their merits, but as a whole represent an important set of opportunities to begin realizing the benefits of different types of partnerships.”

New York State Association of Counties Executive Director Stephen J. Acquario said: “This report responds to a confluence of challenges facing New York that are begging for innovative solutions. We need to think out of box to address our aging infrastructure, changing demographics, increasing infrastructure costs and overall reduction in revenue. These recommended approaches to public-private partnerships can be used to expand innovation, share risks and increase investments in the future of our State.”