

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

James Patchett, President



WHAT WE DO

New York City Economic Development Corporation (NYCEDC), a nonprofit organization operating under contract with the City of New York, is the City's primary engine for economic development, encouraging economic growth throughout the five boroughs by strengthening the City's globally competitive position and facilitating investments that build capacity, create jobs, generate economic opportunity and improve quality of life for all New Yorkers. NYCEDC invests in major infrastructure upgrades, capital projects and real estate development; manages City-owned properties; and works to enhance the City's major business sectors. NYCEDC addresses challenges faced by traditional and emerging industries through analysis of current economic trends, development of strategies and solutions, and implementation of programs that help businesses start, grow and thrive. Through the New York City Industrial Development Agency (NYCIDA) and Build New York City Resource Corporation (Build NYC), NYCEDC helps eligible businesses meet financing needs for property acquisition, new equipment, renovation and working capital through low-cost tax-exempt bonds and exemptions and abatements of selected City and State taxes, in order to create and retain jobs.

FOCUS ON EQUITY

NYCEDC fosters inclusive economic development across all five boroughs by helping to lay the foundations of growth, advancing quality jobs across sectors and promoting access to opportunity. Through large investments in community facilities, parks, streetscapes, infrastructure, resiliency upgrades and affordable housing, NYCEDC creates dynamic and accessible neighborhoods across the City.

The NYC Neighborhood Capital Corporation is a community development entity administered by NYCEDC that is leveraging a \$55 million New Market Tax Credits allocation to support health centers, community facilities, grocery stores and industrial projects in low-income communities.

The ConstructNYC program connects small-to-mid-sized Minority, Women, and Disadvantaged-owned Business Enterprises in construction with opportunities to work on NYCEDC projects. NYCEDC's Emerging Developer Loan Fund provides low-interest loans to emerging developers taking on real estate projects.

A strong network of incubators provides low-cost workspace for entrepreneurs in manufacturing, food production, bioscience, clean technology and digital technology. In addition, NYCEDC's HireNYC Program provides job access to low-income residents by connecting communities to permanent jobs created by NYCEDC's development projects.

OUR SERVICES AND GOALS

SERVICE 1 Develop and build physical assets and infrastructure in all five boroughs.

- Goal 1a Support industry growth by improving the connectivity and livability of neighborhoods and investing in infrastructure and area-wide redevelopment.

SERVICE 2 Manage, maintain and enhance City assets to attract businesses.

- Goal 2a Leverage City assets to support business growth and strengthen communities' economic vitality.

SERVICE 3 Provide resources to targeted industries and businesses.

- Goal 3a Grow and diversify the City's economy by enhancing the competitiveness of industries and businesses.
- Goal 3b Facilitate private sector investments and make City investments where necessary to support business growth and secure a positive return to the City.

SERVICE 4 Leverage City investments to support inclusive economic development.

- Goal 4a Create economic opportunity for New Yorkers through real estate development.

HOW WE PERFORMED IN FISCAL 2017

SERVICE 1 Develop and build physical assets and infrastructure in all five boroughs.

Goal 1a Support industry growth by improving the connectivity and livability of neighborhoods and investing in infrastructure and area-wide redevelopment.

NYCEDC closed six real estate transactions in Fiscal 2017, generating approximately \$800 million in new private investment from the sale and leasing of land and development rights. These transactions are representative of NYCEDC’s ability to creatively structure transactions throughout New York City to leverage underutilized City real estate assets to support new job-intensive uses. Of particular note, in February 2017 NYCEDC closed on the sale of an approximately 40,000 square foot underutilized parcel in College Point, Queens, to Bao Jia Holding LLC, a real estate holding company of S&L Aerospace Metals, a manufacturer and supplier of precision metal parts and hydraulic assemblies for the military and commercial aerospace industry. The disposition of the site will activate vacant and underutilized land and support the expansion of S&L’s manufacturing facility, currently located on the western portion of the same block. The project is expected to create 20 new, full-time, high-skilled, manufacturing jobs in addition to the retention of 84 current full-time positions. S&L will participate in Hire NYC and has a M/WBE target goal of 25 percent. In June 2017 NYCEDC closed on the sale of a 26,000 square foot parcel at 280 Cadman Plaza West in Brooklyn Heights that will result in approximately \$421 million of mixed-use development, including a new 26,600 square foot public library, a 9,000 square foot Department of Education STEM (science, technology, engineering and math) center, 134 residential apartments, 114 permanently affordable housing units (off-site), micro-retail and parking. The project is expected to create approximately 60 permanent jobs and 880 construction jobs.

During Fiscal 2017 capital expenditures exceeded \$217 million. NYCEDC advanced three major infrastructure projects to support affordable housing: Hunter’s Point South in Queens, Coney Island in Brooklyn and Lower Concourse in the Bronx. Hunter’s Point South, Phase 2 is taking shape on the Long Island City waterfront and is on track for completion in 2018. Construction mobilization is underway for the Coney Island infrastructure project; and the Lower Concourse project is well into infrastructure design. In Sunset Park, Brooklyn, design is underway for reconstruction of existing roadways and elimination of unused rail lines and, in Manhattan, the West Thames Pedestrian Bridge is now in construction adjacent to the Hugh L. Carey Tunnel entrance. NYCEDC’s work for NYC Health + Hospitals continues with design and early construction on Bellevue, Coney Island, Metropolitan and Coler Hospitals in advance of major construction and resiliency work. Work for the Department of Parks & Recreation includes the third phase of the High Line, which is beginning to take shape in Hudson Yards; Newtown Barge Park, where construction is underway on the Brooklyn waterfront; and the Rockaway Boardwalk, which is complete and fully reconstructed.

The end of Fiscal 2017 marked the East River Ferry’s sixth anniversary and continued growth of the service. Average monthly ridership increased to over 136,000, with overall annual ridership of over 1.6 million. Most importantly, in May NYCEDC launched the new [NYC Ferry](#) service, which assumed the East River route while also launching two new routes—the Rockaway route, which launched ahead of schedule in May, and the South Brooklyn route, which launched in June. The East River route was folded into the new system with integrated free trip transfers between routes, and the new \$2.75 fare per ride. By the end of July, NYC Ferry ridership had reached a significant milestone, serving one million riders in the first three months of service. Going into Fiscal 2018, NYC Ferry launched the Astoria route in late August, with two more routes (Soundview and the Lower East Side) to follow in 2018.

Performance Indicators	Actual					Target		Trend	
	FY13	FY14	FY15	FY16	FY17	FY17	FY18	5-Year	Desired Direction
★ Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000)	\$331.2	\$6,020.5	\$2,003.3	\$1,213.6	\$798.5	\$534.0	↑	Down	Up
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	\$365.0	\$296.3	\$253.2	\$303.4	\$217.5	*	*	Down	*
Graffiti sites cleaned	10,727	7,909	10,295	9,189	9,861	*	*	Neutral	*
Square feet of graffiti removed (000)	4,078	4,325	5,913	5,650	5,720	*	*	Up	*
East River Ferry - Average monthly ridership	101,579	107,494	113,366	131,896	136,463	*	*	Up	Up

★ Critical Indicator "NA" Not Available ↑↓ Directional Target * None

SERVICE 2 Manage, maintain and enhance City assets to attract businesses.

Goal 2a Leverage City assets to support business growth and strengthen communities' economic vitality.

During Fiscal 2017 NYCEDC entered into three significant agreements with respect to the management and enhancement of City assets. First, NYCEDC executed new 13-year agreements with Ports America for terminal operations and stevedoring at the Brooklyn and Manhattan Cruise Terminals. Second, NYCEDC executed a five-year agreement with Bargemusic for musical and cultural use at the Fulton Ferry Landing. Third, NYCEDC executed an agreement with Carnival Cruise Lines to bring its newest vessel, the Carnival Horizon, to New York City in 2018. While the occupancy rate of NYCEDC-managed property remained high at 94.6 percent, Brooklyn Army Terminal experienced lower occupancy due to pending leases for larger existing tenants, new tenants, and relocations due to ongoing build-out work at one building. This build-out work was the primary cause of the significant increase in capital expenditures on asset management during Fiscal 2017, which grew by over \$40 million to \$86.3 million.

Performance Indicators	Actual					Target		Trend	
	FY13	FY14	FY15	FY16	FY17	FY17	FY18	5-Year	Desired Direction
Capital expenditures on asset management (\$000,000)	\$46.0	\$49.9	\$38.8	\$45.8	\$86.3	*	*	Up	*
★ Occupancy rate of NYCEDC-managed property (%)	95.7%	97.3%	93.3%	93.7%	94.6%	95.0%	95.0%	Neutral	Up
Portfolio revenue generated (\$000,000)	\$180.3	\$199.4	\$192.4	\$191.2	\$191.1	*	*	Neutral	Up
Square footage of assets actively managed by NYCEDC (000)	65,537.1	66,394.3	67,266.8	66,321.4	63,545.9	*	*	Neutral	*
Outstanding violations at beginning of the period	55	35	25	64	51	*	*	Up	Down
Outstanding violations closed during the period	19	23	22	31	30	*	*	Up	Up
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

SERVICE 3 Provide resources to targeted industries and businesses.

Goal 3a Grow and diversify the City's economy by enhancing the competitiveness of industries and businesses.

During Fiscal 2017 the Center for Urban Innovation served more than 2,600 businesses through dozens of programs designed to support emerging and anchor industries in New York City. Notable accomplishments during the reporting period include the launch of FutureWorks NYC, a series of programs that provide tools and services to industrial and tech companies in the advanced manufacturing sector. The initiative engaged 82 businesses, providing access to a network of mentors, workshops, summits and showcase opportunities. The Digital Health Marketplace served 158 businesses, curating matchmaking for healthtech companies and prospective clients, and providing technical assistance and match funding to support pilot projects and customer acquisition. NYCEDC also announced the City's commitment to launch LifeSciNYC, a \$500 million investment in a series of programs to establish New York City as the leader in life sciences innovation and research and development. LifeSciNYC is expected to create nearly 16,000 new jobs.

Performance Indicators	Actual					Target		Trend	
	FY13	FY14	FY15	FY16	FY17	FY17	FY18	5-Year	Desired Direction
★ Businesses served by industry-focused programmatic initiatives	1,070	1,290	1,366	2,722	2,604	↑	↑	Up	Up
Private sector jobs in innovation industries (%) (calendar year)	14.5%	14.6%	14.7%	14.8%	14.7%	*	*	Neutral	Up
New York City unemployment rate (%)	8.5%	8.2%	6.6%	4.9%	4.9%	*	*	Down	Down
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

Facilitate private sector investments and make City investments where necessary to support business growth and secure a positive return to the City.

During Fiscal 2017 the New York City Industrial Development Agency (NYCIDA) closed seven projects that are expected to generate more than \$58 million in City tax revenue and 252 jobs over the course of their respective terms. NYCIDA continued to work with a variety of industrial and commercial projects during the reporting period. NYCIDA benefits helped Transcontinental Ultra Flex Inc., a company that manufactures flexible plastic packaging products, in connection with the renovation, equipping and furnishing of properties across ten tax lots in the East New York section of Brooklyn. NYCIDA also assisted Rogers Surveying, PLLC, a company that provides a full range of land and hydrographic surveying services to federal, State, and local agencies, architects, builders, construction companies, attorneys and title companies. The company is relocating to a 21,000 square foot commercial building in the Rossville neighborhood of Staten Island that will allow them to increase operations and take on new employees.

Build NYC Resource Corporation (Build NYC) closed 15 transactions during the reporting period. Collectively, these projects are expected to generate more than \$168 million in City tax revenue and create 419 jobs over the course of their respective terms. Build NYC continued to assist not-for-profit organizations in New York City with securing low-cost financing for capital projects. Build NYC’s tax-exempt bonds helped finance ARK Development LLC to develop an animal handling and air cargo support facility at John F. Kennedy International Airport. The facility has been conceived as the world’s only animal terminal, and the first USDA-approved, full-service, 24-hour, airport quarantine facility for the import and export of horses, pets, birds, zoo animals and livestock. Build NYC also facilitated tax-exempt financing for Manhattan College in connection with the construction of a new science and engineering center. The low-cost financing provided through this transaction will enable Manhattan College to achieve an overall lower level of debt service and cash flow savings that will allow them to improve operations. Build NYC’s bonds also played a crucial role in financing the acquisition of space by Services and Advocacy for Gay, Lesbian, Bisexual and Transgender Elders, Inc., the country’s largest and oldest organization dedicated to improving the lives of elderly lesbian, gay, bisexual and transgender individuals.

The value of funding disbursed from City funding agreements in Fiscal 2017 exceeded \$47.6 million. Notable highlights during this period include a funding agreement with the Greater Ridgewood Youth Council, an organization dedicated to improving the quality of life for youth and their families throughout Western Queens, to help finance the renovation of a newly acquired building into a community center. The center is equipped with new classrooms for a universal pre-kindergarten program focusing on special needs related services. Also of note is the funding agreement with the Brooklyn Historical Society, an organization dedicated to preserving and encouraging the study of Brooklyn’s extraordinary 400-year history, which led to the creation of an indoor exhibition space inside the newly created Empire Stores retail and office complex in DUMBO, Brooklyn.

Performance Indicators	Actual					Target		Trend	
	FY13	FY14	FY15	FY16	FY17	FY17	FY18	5-Year	Desired Direction
New York City Industrial Development Agency projects - Contracts closed	20	21	14	14	7	*	*	Down	Up
★ - Projected three-year job growth associated with closed contracts	5,348	12,238	10,822	3,639	252	2,500	↑	Down	Up
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$576.4	\$1,370.4	\$1,435.6	\$312.6	\$58.3	↑	↑	Down	Up
- Private investment leveraged on closed projects (\$000,000)	\$1,710.5	\$5,189.0	\$3,596.2	\$942.2	\$104.1	*	*	Down	Up
Build NYC Resource Corporation - Contracts closed	24	21	23	28	15	*	*	Down	Up
★ - Projected three-year job growth associated with closed contracts	491	307	211	321	419	300	↑	Down	Up
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$173.6	\$250.9	\$515.6	\$411.2	\$168.8	↑	↑	Up	Up
- Private investment leveraged on closed projects (\$000,000)	\$513.7	\$555.8	\$777.8	\$1,404.3	\$564.1	*	*	Up	Up
Value of funding disbursed pursuant to City funding agreements (\$000,000)	\$91.0	\$166.3	\$168.7	\$128.7	\$47.6	*	*	Down	*
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

SERVICE 4 Leverage City investments to support inclusive economic development.

Goal 4a

Create economic opportunity for New Yorkers through real estate development.

As required by the Fair Wages for New Yorkers Act, developers and commercial tenants at projects that receive more than \$1 million in financial assistance from the City or NYCEDC are required to pay their employees a living wage of at least \$11.90 per hour with health benefits, or \$13.65 per hour without benefits, as adjusted by the Department of Consumer Affairs on April 1, 2017. These rates will continue to be adjusted annually based on changes in the Consumer Price Index. Among NYCEDC's project portfolio, 95 percent of workers on development projects were reported to receive a living wage or more in Fiscal 2016, the last year for which data is currently available.

Performance Indicators	Actual					Target		Trend	
	FY13	FY14	FY15	FY16	FY17	FY17	FY18	5-Year	Desired Direction
★ Project employees reported to be earning a living wage or more (%)	NA	94%	95%	95%	NA	↑	95%	NA	Up
★ Critical Indicator	"NA" Not Available	↑↓ Directional Target			* None				

AGENCY RESOURCES

Resource Indicators	Actual ¹					Plan ²		5yr Trend
	FY13	FY14	FY15	FY16	FY17	FY17	FY18	
Personnel	405	411	455	468	531	505	510	Up
Capital commitments (\$000,000)	\$281.6	\$278.2	\$163.1	\$185.5	\$338.8	\$1,256.5	\$1,176.9	Neutral

¹Actual financial amounts for the most current fiscal year are not yet final. Final fiscal year actuals, from the Comptroller's Comprehensive Annual Financial Report, will be reported in the next PMMR. Refer to the "Indicator Definitions" at nyc.gov/mmr for details. ²Authorized Budget Level "NA" - Not Available
*None

SPENDING AND BUDGET INFORMATION

Where possible, the relationship between an agency's goals and its expenditures and planned resources, by budgetary unit of appropriation (UA), is shown in the 'Applicable MMR Goals' column. Each relationship is not necessarily exhaustive or exclusive. Any one goal may be connected to multiple UAs, and any UA may be connected to multiple goals.

Unit of Appropriation	Expenditures FY16 ² (\$000,000)	Modified Budget FY17 ³ (\$000,000)	Applicable MMR Goals
006 - Economic Development Corporation (OTPS) ¹	\$97.8	\$148.2	All

¹EDC is contained within the Department of Small Business Services and appropriations are made through that agency. ²Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2016. Includes all funds. ³City of New York Adopted Budget for Fiscal 2017, as of June 2017. Includes all funds.

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- James Patchett was appointed President of the New York City Economic Development Corporation in February 2017, succeeding Maria Torres-Springer.
- NYCEDC replaced Fiscal 2018 numeric targets with directional targets for the following metrics: 'Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000),' 'NYCIDA - Projected three-year job growth associated with closed contracts' and 'Build NYC Resource Corporation - Projected three-year job growth associated with closed contracts.' Many factors can affect whether a particular transaction will close that are outside the control of NYCEDC, making it difficult to develop numeric targets.
- NYCEDC added a Fiscal 2018 target for 'Project employees reported to be earning a living wage or more (%).' The target is 95%.

ADDITIONAL RESOURCES

For additional information, go to:

- NYC Ferry:
<https://www.nycedc.com/project/nycferry>

For more information on the agency, please visit: www.nyc.gov/edc.