

# NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

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## 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 shared prosperity across New York City's five boroughs by strengthening neighborhoods and growing good jobs. 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), Build New York City Resource Corporation (Build NYC) and the New York City Neighborhood Capital Corporation (NYCNCC), NYCEDC helps eligible businesses meet financing needs for property acquisition, new equipment, renovation and working capital through low-cost tax-exempt bonds, exemptions and abatements of selected City and State taxes, and New Markets Tax Credits.

## 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.

Through Opportunity M/W/DBE, NYCEDC helps Minority, Women-Owned, and Disadvantaged Business Enterprises (M/W/DBEs) overcome challenges to winning contracts on public projects. The ConstructNYC program connects small-to-mid-sized M/W/DBEs in the construction sector 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 innovation spaces and programs across the City provide the resources companies need to grow in areas like advanced manufacturing, bioscience, cybersecurity 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 2018

## 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 2018, generating over \$1.1 billion in new private investment from the sale and leasing of land and development rights, an increase of \$342 million from Fiscal 2017. These transactions highlight NYCEDC’s ability to creatively structure transactions throughout New York City to leverage underutilized City real estate assets to support new job-intensive uses. In July 2017, NYCEDC closed on the sale of 150,000 square feet of development rights to JEMB Realty as part of the One Willoughby Square development project. The sale will facilitate the first ground-up office development in Downtown Brooklyn since the 2004 re-zoning, accomplishing a key policy goal of bringing office jobs to outer boroughs and diversifying the built environment of Downtown Brooklyn. The project is expected to create 1,000 permanent jobs in alignment with NYCEDC’s mission to bring quality jobs to all five boroughs. In May 2018, NYCEDC closed on the long-term lease of a 100,000 square foot parcel along the Sunset Park waterfront in Brooklyn. This transaction will generate approximately \$21 million of manufacturing development, including an approximately 16,000 square foot ready-mix concrete plant and a compressed natural gas fueling station. The project is expected to retain approximately 50 permanent jobs and create 90 construction jobs.

Capital expenditures for Fiscal 2018 exceeded \$280 million. NYCEDC’s work to facilitate the creation of a vibrant and sustainable affordable housing community continued to progress with the completion of the final phase of the Hunter’s Point South infrastructure and waterfront park project in Long Island City, Queens. This project has paved the way for the development of additional housing and new schools in the neighborhood. Construction is also well underway on NYCEDC’s infrastructure and roadway upgrade projects in Coney Island that will support future housing development. Design continues on NYCEDC’s Lower Concourse infrastructure project in the Bronx and construction is anticipated to begin in 2019. Design also continues on other citywide infrastructure projects that will improve pedestrian, bicycle and vehicular access, including the Water Street Streetscape in Manhattan and the Sunset Park Infrastructure project in Brooklyn. NYCEDC has also made progress in its work with other City agencies. For NYC Health + Hospitals, demolition has been completed at the Coney Island Hospital site, where construction is anticipated to begin on the new hospital this coming fall.

During Fiscal 2018, NYC Ferry ridership exceeded initial projections and grew to serve over 4.1 million riders across four routes (East River, Rockaway, South Brooklyn, and Astoria). With an average monthly ridership of roughly 340,000, the Ferry service gives commuters an affordable option to get to and from work each day, offers reliable transportation to underserved communities, and expands the use of the City’s waterways as an essential component of NYC’s transportation network. To meet growing demand on the routes, NYCEDC has ordered new, larger 350-passenger ferries for the system, with the first delivered in summer 2018. Going into Fiscal 2019, NYC Ferry also launched two additional routes in August: Soundview and Lower East Side. The routes now connect New Yorkers to additional neighborhoods, with the first ferry service to the Bronx.

Performance Indicators	Actual					Target		Trend	
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	5-Year	Desired Direction
★ Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000)	\$6,020.5	\$2,003.3	\$1,213.6	\$798.5	\$1,140.0	↑	↑	Down	Up
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	\$296.3	\$253.2	\$303.4	\$217.6	\$283.1	*	*	Neutral	*
Graffiti sites cleaned	7,909	10,295	9,189	9,861	11,090	*	*	Up	*
Square feet of graffiti removed (000)	4,325	5,913	5,650	5,720	6,139	*	*	Up	*
NYC Ferry - Average monthly ridership	NA	NA	NA	NA	341,672	*	*	NA	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 2018, the square footage of City assets actively managed by NYCEDC increased by 2.2 percent from Fiscal 2017 and portfolio revenue generated increased by 21 percent from Fiscal 2017. This increase in revenue was due in part to increased volume at the Brooklyn and Manhattan Cruise Terminals. Additionally, NYCEDC signed a long-term lease agreement with Ferrara Brothers at the Moore McCormack site in Sunset Park, Brooklyn. Fit out renovations for the New Essex Street Market continued throughout Fiscal 2018, with an expected opening scheduled for Fiscal 2019. NYCEDC also began clearing buildings at Bush Terminal to begin preparations for the recently announced Made in NY campus. Negotiations continued in Fiscal 2018 for a potential lease disposition at South Brooklyn Marine Terminal. Overall occupancy at City assets managed by NYCEDC increased to 95 percent in Fiscal 2018.

Performance Indicators	Actual					Target		Trend	
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	5-Year	Desired Direction
Capital expenditures on asset management (\$000,000)	\$49.9	\$38.8	\$45.8	\$106.9	\$98.5	*	*	Up	*
★ Occupancy rate of NYCEDC-managed property (%)	97.3%	93.3%	93.7%	94.6%	95.0%	95.0%	95.0%	Neutral	Up
Portfolio revenue generated (\$000,000)	\$203.7	\$194.8	\$208.2	\$196.2	\$237.2	*	*	Up	Up
Square footage of assets actively managed by NYCEDC (000)	66,394.3	67,266.8	66,321.4	63,545.9	64,923.7	*	*	Neutral	*
Outstanding violations at beginning of the period	35	25	64	51	17	*	*	Neutral	Down
Outstanding violations closed during the period	23	22	31	30	13	*	*	Down	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 2018, NYCEDC served more than 1,500 businesses through dozens of programs designed to support emerging and anchor industries in New York City. Notable accomplishments include the continued success of the Jamaica FEASTS and Brooklyn Foodworks food entrepreneurship training programs and restaurant accelerators. Together, the programs engaged 133 businesses, providing access to affordable space, a network of mentors, seminars, and showcase opportunities. As a component of the City's \$500 million LifeSciNYC initiative to advance life sciences innovation and research, the LifeSciNYC Internship program collaborated with 41 companies to provide 82 students with internship opportunities. Four students selected for the internship program received full time employment offers from their respective internship employers. Through the RISE: NYC initiative, NYCEDC partnered with eleven companies to provide 273 approved small businesses impacted by Hurricane Sandy with assistance in activating resiliency enhancing technologies. Collectively, these initiatives offer new and innovative opportunities to a wide variety of New Yorkers throughout the City and demonstrate NYCEDC's commitment to diversity and inclusion across its programs.

Performance Indicators	Actual					Target		Trend	
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	5-Year	Desired Direction
★ Businesses served by industry-focused programmatic initiatives	1,290	1,366	2,722	2,604	1,538	↑	↑	Up	Up
Private sector jobs in innovation industries (%) (calendar year)	14.6%	14.6%	14.7%	14.7%	14.6%	*	*	Neutral	Up
New York City unemployment rate (%)	8.2%	6.6%	4.9%	4.9%	4.5%	*	*	Down	Down
★ Critical Indicator	"NA" Not Available		⇅ Directional Target	* None					

**Goal 3b** Facilitate private sector investments and make City investments where necessary to support business growth and secure a positive return to the City.

The New York City Industrial Development Agency closed 14 projects during Fiscal 2018 that are expected to generate over \$2.3 billion in City tax revenue and 15,201 full time equivalent jobs over the course of their respective terms. Among the projects closed by the Agency in Fiscal 2018 is an Industrial Incentive Project to facilitate the development of York Studios, a 171,000 square foot facility in the Bronx to offer five television studios. Additionally, five of the projects closed during Fiscal 2018 were FRESH grocery store projects, which will increase access to affordable, quality food in various underserved neighborhoods throughout the City.

During Fiscal 2018, Build NYC closed 15 projects that are expected to generate \$73.6 million in City tax revenue and create roughly 250 jobs over the course of their respective terms. Highlights of Build NYC’s closed projects during Fiscal 2018 include the Cooke Center for Learning and Development for the construction of a 67,000 square foot school for special-needs students in Manhattan. Another noteworthy project was Inwood Academy for Leadership Charter School for the renovation and improvement of a 35,000 square foot building to serve students grades 9 through 12.

The value of funding disbursed from City funding agreements in Fiscal 2018 exceeded \$55 million. One notable highlight during this period was the expansion of the Joseph P. Addabbo Family Health Center in Far Rockaway, Queens, which increased local residents’ access to comprehensive primary health care at a low cost. The funding agreement with the Center helped finance improvements to allow for an additional 82,000 new patient visits, provide 21 additional exam rooms, and create approximately 60 new full-time jobs. Another project of note is the funding agreement with the National Museum of the American Indian, a Smithsonian institution committed to advancing knowledge and understanding of Native cultures of the Western hemisphere, which recently opened the brand new imagiNations Activity Center. The center features activities developed on the principles of STEM (Science, Technology, Engineering, and Math) and currently serves the K-12 audiences. The funding agreement with the Museum helped finance a portion of the construction and renovation of the imagiNations Activity Center and helped upgrade crucial components of the building.

Performance Indicators	Actual					Target		Trend	
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	5-Year	Desired Direction
New York City Industrial Development Agency projects - Contracts closed	21	14	14	7	14	*	*	Down	Up
★ – Projected three-year job growth associated with closed contracts	12,238	10,822	3,639	252	15,201	↑	↑	Down	Up
★ – Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$1,370.4	\$1,435.6	\$312.6	\$58.3	\$2,355.1	↑	↑	Up	Up
– Private investment leveraged on closed projects (\$000,000)	\$5,189.0	\$3,596.2	\$942.2	\$104.1	\$7,412.4	*	*	Up	Up
Build NYC Resource Corporation - Contracts closed	21	23	28	15	15	*	*	Down	Up
★ – Projected three-year job growth associated with closed contracts	307	211	321	419	251	↑	↑	Up	Up
★ – Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$250.9	\$515.6	\$411.2	\$168.8	\$73.6	↑	↑	Down	Up
– Private investment leveraged on closed projects (\$000,000)	\$555.8	\$777.8	\$1,404.3	\$564.1	\$616.3	*	*	Neutral	Up
Value of funding disbursed pursuant to City funding agreements (\$000,000)	\$166.3	\$168.7	\$128.7	\$70.9	\$55.3	*	*	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 \$10.95 per hour with health benefits, or \$12.75 per hour without benefits, as adjusted by the Office of the Comptroller on an annual basis. These rates will continue to be adjusted annually based on the 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 2017, the last year for which data is currently available.

Performance Indicators	Actual					Target		Trend	
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	5-Year	Desired Direction
★ Project employees reported to be earning a living wage or more (%)	94%	95%	95%	95%	NA	95%	95%	NA	Up
★ Critical Indicator	"NA" Not Available		↕↔ Directional Target	* None					

## AGENCY RESOURCES

Resource Indicators	Actual <sup>1</sup>					Plan <sup>2</sup>		5yr Trend
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	
Personnel	411	455	468	531	518	515	522	Up
Capital commitments (\$000,000)	\$278.2	\$163.1	\$185.5	\$338.8	\$320.0	\$974.2	\$1,279.6	Up

<sup>1</sup>Actual 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](http://nyc.gov/mmr) for details. <sup>2</sup>Authorized Budget Level <sup>3</sup>"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 FY17 <sup>2</sup> (\$000,000)	Modified Budget FY18 <sup>3</sup> (\$000,000)	Applicable MMR Goals <sup>4</sup>
006 - Economic Development Corporation (OTPS) <sup>1</sup>	\$77.4	\$98.8	All

<sup>1</sup>EDC is contained within the Department of Small Business Services and appropriations are made through that agency. These figures are limited to the City's contribution and planned contribution respectively, to EDC. <sup>2</sup>Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2017. Includes all funds. <sup>3</sup>City of New York Adopted Budget for Fiscal 2018, as of June 2018. Includes all funds. <sup>4</sup>Refer to agency goals listed at front of chapter.  
"NA" Not Available \* None

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- To reflect adjustments to historical citywide employment data, NYCEDC revised the previously reported 'Private sector jobs in innovation industries' metrics as follows:
  - Calendar 2014 was changed from 14.7 percent to 14.6 percent
  - Calendar 2015 was changed from 14.8 percent to 14.7 percent

- NYCEDC has revised prior fiscal year data for the 'Portfolio revenue generated' metric to align with NYCEDC's annual audited financial statements. The following changes have been made to the 'Portfolio revenue generated' metric:
  - Fiscal 2014 was changed from \$199.4 million to \$203.7 million
  - Fiscal 2015 was changed from \$192.4 million to \$194.8 million
  - Fiscal 2016 was changed from \$199.8 million to \$208.2 million
  - Fiscal 2017 was changed from \$191.4 million to \$196.2 million

## ADDITIONAL RESOURCES

For additional information, go to:

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

For more information on the agency, please visit: [www.nyc.gov/edc](http://www.nyc.gov/edc).