

Operations, Accomplishments, and Projects undertaken for The New York City Industrial Development Agency

Operations and Accomplishments:

New York City Industrial Development Agency (“the “Agency”) is a public benefit corporation of the State of New York organized under Article 18-A of the New York State General Municipal Law to serve the five boroughs of New York City.

The mission of the Agency is to encourage economic development throughout the five boroughs, and to assist in the retention of existing jobs, and the creation and attraction of new ones. The Agency programs are discretionary and provide companies with access to triple tax-exempt bond financing and/or tax benefits to acquire or create capital assets, such as purchasing real estate, constructing or renovating facilities, and acquiring new equipment. All applicants must satisfy eligibility requirements and demonstrate a need for assistance.

Since January 2002 the Agency has closed on 443 projects, leveraging discretionary incentives to induce over \$30.1 billion in private investment to retain and create nearly 162,392 jobs. (Results are as of June 30, 2018)

NYCIDA programs provide incentives on a discretionary basis that may include:

- Tax-exempt bond financing – Providing lower-cost capital for acquisition and/or construction of facilities and equipment.
- Sales and use tax exemptions – Providing exemptions on sales taxes on purchases and/or leases of machinery, equipment, and construction materials for renovations at approved locations.
- Mortgage recording tax (MRT) – Deferring mortgage recording taxes over the term of the financing.
- Real estate tax reductions

Bond Programs during Fiscal Year 2018

Manufacturing Facilities Bond Program

Manufacturers acquiring, developing, renovating, or equipping facilities for their own use can access triple tax-exempt bond financing and reductions in real estate taxes, mortgage recording tax deferral over the term of the financing, and sales tax exemptions on purchases of materials to construct, renovate or equip facilities.

Exempt Facilities Bond Program

Companies developing facilities on public-owned docks and Wharves, or developing solid waste recycling facilities, may be eligible to access triple tax-exempt bond financing. The following tax incentives may also be available: reductions real estate taxes, mortgage recording tax deferral over the term of the financing, and sales tax exemptions on purchases of materials to construct, renovate or equip facilities.

New York Liberty Bond Program

This cooperative program between the State and the City of New York sought projects that would significantly contribute to the City’s revitalization and long-term economic health in the aftermath of the events of September 11, 2001. The New York Liberty Bond Program provided triple tax-exempt financing for construction of and major capital improvements to commercial and retail facilities within Lower Manhattan and New York City. The federal government provided an allocation of private activity Liberty Bonds that were issued by the Agency, and the New York Liberty Development Corporation (administered by the New York State Empire State Development Corporation).

Straight Lease Programs during FY2018

Industrial Incentive Program

The Industrial Incentive Program (IIP) provides eligible industrial companies with real estate tax reductions, mortgage recording tax deferrals, and sales tax exemptions on purchases of materials to construct, renovate, or equip facilities.

Industrial Incentive Program for Developers

Developers of industrial space in designated areas can also seek mortgage recording tax deferrals and sales tax exemptions on purchases of materials to construct, renovate, or equip facilities.

Food Retail Expansion to Support Health (FRESH)

FRESH promotes the establishment and retention of neighborhood grocery stores in underserved communities by providing zoning incentives through the New York City Department of City Planning and the following financial incentives through the Agency to eligible grocery store operators and developers: real estate tax reductions; mortgage recording tax deferrals; and sales tax exemptions on purchases of materials to construct, renovate, or equip facilities.

Commercial Growth Incentives

Certain tax incentives may be available to induce commercial companies to undertake major capital investments that result in the creation and retention of significant levels of jobs within New York City. The terms and conditions pursuant to which these benefits are provided will be evaluated on a case-by-case basis and tailored to meet the needs of both the City and the recipient.

Hudson Yards Program

The Agency can grant benefits to certain commercial construction projects in the Hudson Yards area of Manhattan.

Projects Undertaken during Fiscal Year 2018

The Agency closed 14 projects during Fiscal 2018, which are expected to generate over \$2.3 billion in City tax revenue and are committing 15,392 full time equivalent jobs over the course of their respective terms. Projects the Agency closed in Fiscal Year 2018 include an Industrial Incentive Project with BR-2012 LLC, a New York limited liability company affiliated with York Studios LLC, to construct, furnish, and equip a 171,000 square foot facility in the Bronx which includes five television studios and support space and a FRESH project with A&J Supermarket Corp., to acquire, renovate, furnish, and equip a 12,590 square foot supermarket in East Harlem.

