

# 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 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 for New Yorkers. Through large investments in community facilities, parks, streetscape improvements, infrastructure, resiliency upgrades and affordable housing, NYCEDC creates dynamic and accessible neighborhoods across the City.

NYCEDC connects employers to communities through economic development projects that create high quality employment opportunities for residents of diverse backgrounds and skill levels. As part of NYCEDC's commitment to Minority, Women, and Disadvantaged-owned Business Enterprises (M/W/DBEs), the Blueprint to Success program offers workshops and individualized assistance to provide M/W/DBE firms with the skills to grow and to qualify as contractors on NYCEDC projects. In addition, NYCEDC's HireNYC Program provides job access to low-income residents by connecting communities to the permanent jobs created by development projects.

To promote quality jobs across sectors, NYCEDC has developed sector-based strategies in traditional and emerging industries. A strong network of incubators provides low-cost workspace for entrepreneurs in industries including manufacturing, food production, bioscience, clean tech, and digital technology. These types of spaces serve a variety of populations.

## 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

- NYCEDC closed two real estate transactions during the first four months of Fiscal 2016, generating \$326 million in new private investment from land sales and ground leases, including the July 2015 sale of a 51,000 square foot site in East Harlem to facilitate construction of the New York Proton Center (NYPC), an ambulatory diagnostic cancer treatment facility. Once completed in mid-2017 and fully commissioned in early 2019, NYPC will be the first facility in New York State to provide proton therapy, a state-of-the-art regimen that uses targeted radiation to treat certain types of cancers, particularly pediatric, head and neck, and eye cancers, among others. This project is expected to help anchor and catalyze the development of East Harlem and will keep New York City nationally competitive by filling a gap in the City's healthcare infrastructure, while also promoting quality jobs for New Yorkers.
- Capital expenditures for the reporting period, with the exception of those related to asset management and funding agreements, reached approximately \$59 million. Significant progress was made on the reconstruction of the Rockaway Boardwalk for the New York City Department of Parks & Recreation, and on the Green Infrastructure and NY Harbor Siphon projects on behalf of the New York City Department of Environmental Protection. On the affordable housing front, Phase 1 of the New Stapleton Waterfront project is nearing completion; Phase 2 of Hunter's Point South began construction; and design for Coney West is well underway. NYCEDC expects to advance all of these projects in the coming months. Milestones for open space projects include the completion of Hudson Park and Boulevard this fall to coincide with the extension of #7 subway service to the new Hudson Yards subway station at West 34th Street, and the opening of the Randall's Island Connector, which provides at-grade pedestrian and bicycle access from the South Bronx to Randall's Island.
- From July to October of Fiscal 2016, East River Ferry ridership increased by nearly 11 percent over the same period in Fiscal 2015.
- The New York City Industrial Development Agency (NYCIDA) closed three projects during the first four months of Fiscal 2016 which are expected to generate \$15.8 million in City tax revenue and create 171 jobs within the first three years of their respective terms. Projects NYCIDA closed in the reporting period include an Industrial Incentive Program (IIP) transaction to assist Madelaine Chocolate Novelties, Inc., a major employer in the Rockaways that sustained significant physical and economic damage from Superstorm Sandy. NYCIDA also closed an IIP transaction with Cubit Power One, Inc., a developer and operator of renewable power projects, to build and operate an energy efficient packaged ice manufacturing plant with a cogeneration plant in the Travis section of Staten Island. This facility is expected to save 34 percent of its normal energy use and to reduce its greenhouse gas emissions by 12 percent.
- Build NYC Resource Corporation (Build NYC) closed 10 transactions during the reporting period. Collectively, these projects are expected to generate over \$264 million in City tax revenues and to create 119 jobs within the first three years of their respective terms. Build NYC continued to assist various not-for-profit organizations with realizing significant savings through the refinancing of old debt originally used for the construction and renovation of their facilities. Build NYC also assisted COM Affiliation, Inc., a jointly formed entity by Montefiore Health System and Yeshiva University. The bond proceeds from this transaction helped transfer Albert Einstein College of Medicine to Montefiore from Yeshiva University to avoid major restructuring of the medical school and to continue to operate as a leading medical school and research institution.
- The value of funding disbursed through capital funding agreements exceeded \$27.8 million. Notable highlights include the opening of the Pratt Institute's Brooklyn Fashion and Design Accelerator.

## 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
★ Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000)	\$331.2	\$6,020.5	\$2,003.3	\$582.0	\$534.0	\$7.1	\$326.0
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	\$365.0	\$296.3	\$253.2	*	*	\$33.5	\$59.0
Graffiti sites cleaned	10,727	7,909	10,295	*	*	5,750	4,486
Square feet of graffiti removed (000)	4,078	4,325	5,913	*	*	3,075	2,350
East River ferry - Average monthly ridership	101,579	107,494	113,366	*	*	154,463	170,944

★ Critical Indicator "NA" - means Not Available in this report \* No Target ↕ shows desired direction

## 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Capital expenditures on asset management (\$000,000)	\$46.0	\$49.9	\$38.8	*	*	\$5.7	\$11.6
★ Occupancy rate of NYCEDC-managed property (%)	95.7%	97.3%	93.3%	95.0%	95.0%	93.8%	93.2%
Portfolio revenue generated (\$000,000)	\$180.3	\$199.4	\$192.4	*	*	NA	NA
Square footage of assets actively managed by NYCEDC (000)	65,537.1	66,394.3	67,266.8	*	*	NA	NA
Outstanding violations at beginning of the period	55	35	25	*	*	39	27
Outstanding violations closed during the period	19	23	22	*	*	23	1

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## 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
★ Businesses served by industry-focused programmatic initiatives	1,070	1,290	1,366	↕	↕	NA	NA
Private sector jobs in innovation industries (%)	14.5%	14.6%	14.7%	*	*	NA	NA
New York City unemployment rate (%)	8.5%	8.2%	6.6%	*	*	6.8%	5.3%

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
New York City Industrial Development Agency projects - Contracts closed	20	21	14	*	*	5	3
★ - Projected three-year job growth associated with closed contracts	5,348	12,238	10,822	2,500	2,500	47	171
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$576.4	\$1,370.4	\$1,435.6	↑	↑	\$40.6	\$15.8
- Private investment leveraged on closed projects (\$000,000)	\$1,710.5	\$5,189.0	\$3,596.2	*	*	\$38.5	\$15.9
Build NYC Resource Corporation - Contracts closed	24	21	23	*	*	8	10
★ - Projected three-year job growth associated with closed contracts	491	307	211	300	300	161	119
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$173.6	\$250.9	\$515.6	↑	↑	\$238.2	\$264.2
- Private investment leveraged on closed projects (\$000,000)	\$513.7	\$555.8	\$777.8	*	*	\$230.1	\$537.7
Value of funding disbursed pursuant to City funding agreements (\$000,000)	\$91.0	\$166.3	\$168.7	*	*	\$56.5	\$27.8

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**SERVICE 4 Leverage City investments to support inclusive economic development.**

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Project employees reported to be earning a living wage or more (%)	NA	94%	95%	*	*	NA	NA

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**AGENCY RESOURCES**

Resource Indicators	Actual			Sept. 2015 MMR Plan	Updated Plan	Plan	4-Month Actual	
	FY13	FY14	FY15	FY16	FY16 <sup>1</sup>	FY17 <sup>1</sup>	FY15	FY16
Personnel	405	411	455	446	477	477	437	478
Capital commitments (\$000,000)	\$281.6	\$278.2	\$163.1	\$667.3	\$880.6	\$808.0	\$21.1	\$26.2

<sup>1</sup>January 2016 Financial Plan <sup>2</sup>Expenditures include all funds "NA" - Not Available in this report

**NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS **

- NYCEDC renamed the indicator 'Projected new private investment related to sale/long-term lease of City-owned property (\$000,000)' to 'Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000)' to conform to naming conventions of similar indicators. NYCEDC updated its Fiscal 2016 target for this indicator to \$582 million, from the original target of \$534 million.
- NYCEDC updated four-month and annual Fiscal 2015 data for 'Capital expenditures (\$000)(excluding asset management and funding agreements)' to reflect NYCEDC's audited financial statements. Four-month data was revised from \$99.7 to \$33.5 million and annual data was updated from \$244.5 to \$253.2 million.

- NYCEDC also corrected all previously reported data for 'Capital expenditures on asset management (\$000)' to reflect NYCEDC's audited financial statements, which are prepared on an accrual basis. Previously reported data was based on a cash rather than accrual basis. Fiscal 2013 data was revised from \$11.5 to \$46.0 million, Fiscal 2014 data from \$46.4 to \$49.9 million and Fiscal 2015 from \$67.2 to \$38.8 million. Four-month Fiscal 2015 data was also revised, from \$13.6 to \$5.7 million.

## ADDITIONAL RESOURCES

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

