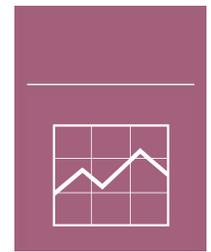


NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

Maria Torres-Springer, 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 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 IN FISCAL 2016

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 on five real estate transactions in Fiscal 2016, generating \$1.2 billion in new private investment from land sales and the sale of development rights. These transactions are representative of NYCEDC's ability to creatively structure transactions throughout New York City to leverage underutilized City real estate to support new job-intensive uses. Of particular note is the sale of a 71,500 square foot site in Long Island City, Gotham Center, which closed in June 2016. The project will generate \$715 million in new private investment to construct more than 1.1 million square feet of office space, 43,000 square feet of retail space, and a 388-space parking garage. It also represents a major milestone as NYCEDC supports the continued growth of outer-borough office space to create neighborhoods where residents can live, work and play. Gotham Center will create 2,010 permanent jobs and 952 construction jobs in Long Island City, Queens. Another major project is the disposition and reactivation of a triangular lot at 19 East Houston Street in Manhattan's SoHo neighborhood, which closed in May 2016. The lot will be transformed into a 37,500 square foot mixed-use commercial building comprised of retail and office uses. The development of the vacant corner, formerly used by the New York City Transit Authority as a parking lot, is expected to generate 1,020 permanent jobs and 250 construction jobs. While providing upgrades to the Broadway-Lafayette subway station entrance, the development also aims to improve pedestrian flow at the bustling intersection.

Capital expenditures during Fiscal 2016 exceeded \$307 million. Completed projects this past fiscal year include work on behalf of the New York City Department of Parks & Recreation on major portions of the Rockaway Boardwalk, which now offers an additional 67 blocks of continuous reconstructed boardwalk that was opened to the public for the 2016 summer season. Also this year, the NY Harbor Siphon, which NYCEDC is constructing on behalf of the City's Department of Environmental Protection and the Port Authority, reached a level of completion that now allows the Army Corps of Engineers to deepen the channel over the decommissioned siphons, making way for larger cargo ships to enter New York Harbor. NYCEDC also progressed on a number of key affordable housing initiatives. At Hunter's Point South in Long Island City, the largest affordable housing complex to be built in New York City since the 1970s, construction began on Phase 2 and the future roadway network and waterfront park are beginning to take shape; Phase 1 of the Stapleton waterfront esplanade on Staten Island was completed and opened to the public this past year, and future phases are in design; and design for Coney West, which consists of upgrading the infrastructure and roadway network to facilitate affordable housing implementation in Coney Island is well underway. Expanding on previous work on behalf of NYC Health + Hospitals, NYCEDC has undertaken a \$1.7 billion federally funded project that includes resiliency work at Metropolitan, Coler and Bellevue hospitals in Manhattan, as well as a major reconstruction at Coney Island Hospital in Brooklyn.

In Fiscal 2016 NYCEDC's Graffiti-Free NYC teams removed nearly 5.7 million square feet of graffiti from more than 9,000 sites across the five boroughs. The five-year trend for graffiti removal has been trending up, with the number of square feet cleaned in Fiscal 2015 and 2016 over 30 percent higher than in each of the previous three fiscal years. As part of the Mayor's CleaNYC initiative, NYCEDC will be adding power-washing of sidewalks in commercial corridors as part of the City's enhanced efforts to keep communities clean.

The end of Fiscal 2016 marked the East River Ferry's fifth anniversary and the continued growth of the service. Average monthly ridership increased to nearly 132,000 in Fiscal 2016, with overall annual ridership setting a new high of nearly 1.6 million riders. This represents a 16 percent increase over the previous year's figure. While East River Ferry ridership is expected to level out as the service matures, it will continue to serve as the dynamic core of a new Citywide Ferry Service launching in 2017, which will serve an anticipated 4.6 million riders per year once fully established.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
★ Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000)	\$432.3	\$331.2	\$6,020.5	\$2,003.3	\$1,213.6	\$582.0	\$534.0	Up	Up
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	NA	\$365.0	\$296.3	\$253.2	\$307.9	*	*	Neutral	NA
Graffiti sites cleaned	13,367	10,727	7,909	10,295	9,189	*	*	Neutral	Down
Square feet of graffiti removed (000)	4,242	4,078	4,325	5,913	5,650	*	*	Neutral	Up
East River ferry - Average monthly ridership	92,026	101,579	107,494	113,366	131,896	*	*	Up	Up

★ Critical Indicator "NA" - means Not Available in this report ↕ 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.

At 93.7 percent, the occupancy rate for NYCEDC-managed properties remained relatively steady in Fiscal 2016. The real estate portfolio revenue increased to nearly \$200 million as Industrial Park Road (Lamor) in East New York was sold in October 2015. Fiscal 2016 activities related to the Citywide Ferry Project included execution of a six-year operating agreement with Hornblower, Inc.; commencement of fabrication of barges for 10 new ferry landings; and commencement of construction of 19 new vessels. NYCEDC also received the first international ship call in 20 years at the South Brooklyn Marine Terminal; executed an agreement with Disney Cruise Line to return to New York City in 2016/17; and exercised a 10-year extension of the Staten Island Railroad operating agreement with Conrail, CSX and Norfolk Southern railroads. The closing of a lease amendment with Baldor Specialty Foods will allow Baldor to undertake a 100,000 square foot facility expansion in the Hunts Point section of the Bronx. Also, the closing of a \$5 million funding agreement with New 42 will fund capital repairs and maintenance of seven theaters on West 42nd Street in Manhattan. Finally, NYCEDC closed a five-year lease extension with the OWN Charter school in Astoria, Queens.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Capital expenditures on asset management (\$000,000)	NA	\$46.0	\$49.9	\$38.8	\$37.3	*	*	Neutral	NA
★ Occupancy rate of NYCEDC-managed property (%)	95.0%	95.7%	97.3%	93.3%	93.7%	95.0%	95.0%	Up	Neutral
Portfolio revenue generated (\$000,000)	NA	\$180.3	\$199.4	\$192.4	\$199.8	*	*	Up	NA
Square footage of assets actively managed by NYCEDC (000)	65,570.3	65,537.1	66,394.3	67,266.8	66,321.4	*	*	Neutral	Neutral
Outstanding violations at beginning of the period	NA	55	35	25	64	*	*	Down	NA
Outstanding violations closed during the period	NA	19	23	22	31	*	*	Up	NA

★ Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

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.

In Fiscal 2016 the Center for Urban Innovation (CUI) served more than 2,700 businesses through dozens of programs designed to support emerging and anchor industries in New York City. Notable accomplishments during the reporting period include the continued expansion of Best for NYC, a program to provide tools and services to inspire and equip businesses to measure and improve their workplace practices. The initiative engaged more than 1,200 businesses, far exceeding the Center's internal goal to serve 500 businesses. The Community Health Center Expansion Program, which aims to increase primary care access for thousands of residents in underserved neighborhoods across New York City, served more than 30 community healthcare clinics, enabling them to expand their practices and create new jobs. The Digital Health Marketplace initiative supported the growth of 84 health technology businesses and led to the creation of at least 30 new jobs. During the reporting period CUI also launched a Global Business Exchange with Paris. The program helped eight NYC-based businesses in diverse sectors spend six months in Paris in partnership with the Parisian economic development agency, Paris & Co. The program also brought eight Paris-based businesses to NYC for the same period of time.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
★ Businesses served by industry-focused programmatic initiatives	NA	1,070	1,290	1,366	2,722	↑	↑	Up	NA
Private sector jobs in innovation industries (%) (calendar year)	NA	14.5%	14.6%	14.7%	14.8%	*	*	Up	NA
New York City unemployment rate (%)	9.4%	8.5%	8.2%	6.6%	4.9%	*	*	Down	Down

★ Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

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

During Fiscal 2016 the New York City Industrial Development Agency (NYCIDA) closed 14 projects which are expected to generate more than \$312 million in City tax revenue and 3,639 jobs over the course of their respective terms. NYCIDA assisted two major real estate investments: 5 Bay/Lighthouse Point, a \$200 million mixed-use development on the St. George waterfront in Staten Island, and a 1.1 million square foot commercial complex, Gotham Center, in Long Island City. NYCIDA also assisted Picture Car Specialists, a company that supplies customized vehicles to the media and film industry, in connection with the construction and development of a 68,000 square foot facility in Ridgewood, Queens. The company's facility will also serve as a hub for film production and post-production companies.

Build NYC Resource Corporation (Build NYC) closed 28 transactions during the reporting period. Collectively, these projects are expected to generate more than \$411 million in City tax revenue and 321 jobs over the course of their respective terms. Build NYC continued to assist a wide variety of not-for-profit organizations in New York City with securing low-cost financing for capital projects. Build NYC's tax-exempt bonds helped refinance the YMCA of Greater New York's existing debt obligations, taking advantage of a favorable interest rate and terms to reduce its overall debt service costs. With the cost savings, the YMCA will be able to continue providing crucial services and programming to New Yorkers. Build NYC also facilitated tax-exempt financing for ODA Primary Health Care Network, Inc., a federally qualified healthcare center in Williamsburg, Brooklyn, for various renovations and improvements to its clinics. Build NYC's tax-exempt financing played a crucial role in the joint agreement between Montefiore Health System and Yeshiva University to transfer the financial and operational control of Albert Einstein College of Medicine to Montefiore to ensure Einstein's continued status as a top-tier medical and research institution.

The value of funding disbursed from City funding agreements exceeded \$128.7 million. Notable highlights include the opening of Spaceworks' affordable artist studio space within the Williamsburg branch of the New York Public Library; the opening of the GIS Center at Pratt Institute to provide services and GIS technical assistance to New York City-based nonprofit, civic, and community-based planning organizations; and the opening of the newly renovated kitchen for Lenox Hill Neighborhood House's senior center in Manhattan.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
New York City Industrial Development Agency projects - Contracts closed	12	20	21	14	14	*	*	Up	Neutral
★ - Projected three-year job growth associated with closed contracts	1,452	5,348	12,238	10,822	3,639	2,500	2,500	Up	Up
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$302.1	\$576.4	\$1,370.4	\$1,435.6	\$312.6	↑	↑	Up	Up
- Private investment leveraged on closed projects (\$000,000)	NA	\$1,710.5	\$5,189.0	\$3,596.2	\$942.2	*	*	Up	NA
Build NYC Resource Corporation - Contracts closed	4	24	21	23	28	*	*	Up	Up
★ - Projected three-year job growth associated with closed contracts	12	491	307	211	321	300	300	Up	Up
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	NA	\$173.6	\$250.9	\$515.6	\$411.2	↑	↑	Up	NA
- Private investment leveraged on closed projects (\$000,000)	NA	\$513.7	\$555.8	\$777.8	\$1,404.3	*	*	Up	NA
Value of funding disbursed pursuant to City funding agreements (\$000,000)	\$104.8	\$91.0	\$166.3	\$168.7	\$128.7	*	*	Neutral	Up

★ Critical Indicator "NA" - means Not Available in this report ↑↓ shows desired direction

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 \$11.70 per hour with health benefits, or \$13.40 per hour without benefits, such rates having been adjusted by the Department of Consumer Affairs on April 1, 2016. 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 2015, the last year for which data is currently available.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Project employees reported to be earning a living wage or more (%)	NA	NA	94%	95%	NA	*	*	Up	NA

★ Critical Indicator "NA" - means Not Available in this report ↑↓ shows desired direction

AGENCY RESOURCES

Resource Indicators	Actual ¹					Plan ²		5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17	
Personnel	400	405	411	455	468	477	462	Up
Capital commitments (\$000,000)	\$244.4	\$281.6	\$278.2	\$163.1	\$185.5	\$880.6	\$1,061.1	Down

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 in this report

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- The term 'calendar year' was added to the indicator name 'Private sector jobs in innovation industries (%)' to more clearly reflect the reporting period.
- NYCEDC Center for Economic Transformation has been restructured and renamed as the Center for Urban Innovation.

ADDITIONAL RESOURCES

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