

# NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

James Patchett, President



## WHAT WE DO

New York City Economic Development Corporation (NYCEDC) is a mission-driven nonprofit organization that strives to create shared prosperity across New York City. NYCEDC is responsible for driving the growth of equitable, sustainable neighborhoods and investing in key industries like technology, life sciences and advanced manufacturing to diversify the City's economy and bring good-paying jobs to New Yorkers. NYCEDC invests in communities through major infrastructure upgrades, capital projects and real estate development; manages City-owned properties; and works to enhance the City's major and emerging business sectors. NYCEDC addresses challenges faced by traditional and emerging industries through analysis of current and evolving 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 and registered nonprofits meet financing needs for property acquisition, expansion, 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 investments in community facilities, affordable housing, parks, open space, streetscapes, infrastructure and resiliency projects, NYCEDC works with local communities to create dynamic and accessible neighborhoods across the City.

NYCNCC, a community-development entity administered by NYCEDC, applied for an additional New Market Tax Credit (NMTC) allocation in November 2019 and received notice in July 2020 that a third allocation of \$50 million was granted by the U.S. Department of the Treasury, bringing NYCNCC's total amount awarded through the NMTC Program to \$160 million 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 government contracts for public projects. The ConstructNYC program helps small-to-midsized M/W/DBEs in the construction sector pre-qualify for the opportunity to work on NYCEDC projects. NYCEDC's Emerging Developer Loan Fund provides low-interest loans to emerging M/W/DBE 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, cybersecurity and digital technology. In addition, NYCEDC's HireNYC program helps connect low income residents to job opportunities created by the organization'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 2020

## 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 one real estate transaction in Fiscal 2020, unlocking \$100 million in new private investment. This project, located in Downtown Far Rockaway, resulted from the neighborhood's 2017 rezoning and contributes to the City's effort to reestablish the area as a vibrant mixed-use neighborhood and commercial hub. The transaction will facilitate the development of 224 units of affordable housing for residents with incomes ranging from 30-80 percent of the area median income, along with 7,200 square feet of community space for a new daycare and 21,000 square feet of retail space. Four additional transactions that were expected to close during Fiscal 2020 were delayed due to COVID-19 shutdown and restrictions.

Capital expenditures for Fiscal 2020 totaled more than \$342 million. Over the past year, NYCEDC has continued its capital construction work to improve the quality of life for New Yorkers. One noteworthy milestone was the completion of the Gateway Park in Jamaica, Queens which will provide the community with a new playground, more open green space and a new roadway to ease traffic congestion on Atlantic Avenue. Construction is ongoing at the Coney Island Hospital for NYC Health + Hospitals, which is expected to be completed in 2024. NYCEDC is also working on the NYC Department of Environmental Protection's Green Infrastructure project at sites in Brooklyn, Queens and the Bronx. A large portion of capital construction projects managed by NYCEDC have been paused due to COVID-19 and associated fiscal impact.

The NYC Ferry system served nearly 5 million riders across six routes in Fiscal 2020. As with other modes of transit, COVID-19 heavily impacted NYC Ferry service during the last quarter of the year, resulting in a 12 percent decrease in overall ridership from 5.7 million riders in Fiscal 2019. Since an initial 80 percent decrease in ridership at the outset of the pandemic in March, ridership has steadily increased month over month. Throughout the pandemic, NYC Ferry has offered a reliable and safe transportation option to essential workers, and in so doing expanded use of the City's waterways as a core component of the City's transportation network. Looking forward, NYCEDC is continuing to work towards the addition of two new routes to the NYC Ferry system with the St. George and Coney Island routes scheduled to launch in Calendar 2021.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000)	\$1,213.6	\$798.5	\$1,140.0	\$1,200.6	\$100.3	↑	↑	Down	Up
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	\$303.4	\$217.6	\$233.2	\$216.0	\$342.5	*	*	Up	*
Graffiti sites cleaned	9,189	9,861	11,090	14,236	10,557	*	*	Up	*
Square feet of graffiti removed (000)	5,650	5,720	6,139	7,087	5,360	*	*	Neutral	*
NYC Ferry - Average monthly ridership	NA	NA	341,672	472,571	413,921	*	*	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 2020, the square footage of City assets actively managed decreased slightly to 64.4 million with an occupancy rate of 98.4 percent. The decrease in square footage managed resulted primarily from the expiration of a 300,000 square foot lease with a storage facility operator in Williamsburg and the reversion of the property to the NYC Department of Parks and Recreation. There was also a downward revision of rentable square footage at Brooklyn Army Terminal which resulted in a 240,000 square foot reduction to square footage actively managed. To support small businesses at properties managed by NYCEDC during COVID-19, NYCEDC conducted outreach to its tenants to provide information and technical assistance for applying to Small Business Administration support programs.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Capital expenditures on asset management (\$000,000)	\$45.8	\$106.9	\$95.0	\$67.3	\$36.1	*	*	Down	*
★ Occupancy rate of NYCEDC-managed property (%)	93.7%	94.6%	95.0%	95.1%	98.4%	95.0%	95.0%	Neutral	Up
Portfolio revenue generated (\$000,000)	\$208.2	\$196.2	\$237.2	\$257.9	\$223.0	*	*	Up	Up
Square footage of assets actively managed by NYCEDC (000)	66,321.4	63,545.9	64,923.7	65,849.7	64,424.1	*	*	Neutral	*
★ 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 2020, NYCEDC served 1,585 businesses through dozens of programs designed to support emerging and anchor industries in New York City. Notable accomplishments during the reporting period include the expansion of several programs across the portfolio. The Grid, an initiative of the UrbanTech program, grew to serve over 135 businesses by providing access to a network of peer businesses through which members can engage with new ideas, pathways and opportunities to grow in the urban tech sector. Similarly, RLab, the nation's first city-funded center for augmented and virtual reality technology, has expanded to serve over 200 business this year through dedicated programming to support business development. Despite these successes, COVID-19 disrupted programming in the last quarter of Fiscal 2020, resulting in a slightly lower total number of businesses served compared to the previous year. Looking ahead to Fiscal 2021, disruption from COVID-19 is expected to reduce NYCEDC's ability to fund the current portfolio of business support programs. However, NYCEDC remains committed to creating new opportunities to serve as many businesses as possible, especially those companies hardest hit by the pandemic.

New York City's businesses were severely affected by COVID-19 and the NYS PAUSE order. Due to these circumstances the average unemployment rate for Fiscal 2020 increased to 7.4 percent, up from the historic low of 4.2 percent in Fiscal 2019.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Businesses served by industry-focused programmatic initiatives	2,722	2,604	1,538	1,775	1,585	↑	↑	Down	Up
Private sector jobs in innovation industries (%) (calendar year)	14.8%	14.7%	14.7%	14.6%	14.6%	*	*	Neutral	Up
New York City unemployment rate (%)	4.9%	4.9%	4.5%	4.2%	7.4%	*	*	Up	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 (NYCIDA) closed nine transactions during Fiscal 2020. Together, these projects are expected to generate over \$1.2 billion in City tax revenue, leverage more than \$3.3 billion in private investment and create 4,339 jobs within the first three years of their respective terms. A substantial portion of this impact was driven by the closing of a transaction with BOP SE LLC, an affiliate of Brookfield Property Partners, to construct a 62-story, LEED certified office building in Hudson Yards. In addition, the NYCIDA closed a transaction with Deerfield Management Company for the development of a 338,000 square foot, 12-story Center for Innovation to incubate and support life science companies. The facility will have space for convening and classrooms, a wet-lab incubator, modular laboratory suites and office space for life science startups and high growth companies.

Build NYC Resource Corporation (Build NYC) closed six transactions during Fiscal 2020. Collectively, these projects are expected to generate roughly \$120 million in City tax revenue and leverage more than \$250 million in private investment over the course of their respective terms. The number of projects closed in Fiscal 2020 dropped from 17 projects during Fiscal 2019, largely due to project delays stemming from COVID-19. Among the new transactions, Build NYC provided financial assistance through tax-exempt bonds to Children’s Aid Society to acquire, renovate and furnish a 42,000 square foot facility as part of the organization’s relocation of its headquarters from Midtown Manhattan to Central Harlem. Additionally, Build NYC issued tax-exempt bonds to the Consortium for Worker Education (CWE) for the acquisition and fit-out of a 9,500 square foot condominium in Manhattan, to be used for its workforce development and industry-specific training and employment services.

The value of funding disbursed from City funding agreements in Fiscal 2020 exceeded \$96 million. One notable highlight was the opening of the Lower Manhattan Cultural Council’s (LMCC) Arts Center at Governor’s Island, which features over 40,000 square feet of space dedicated to public performances, exhibitions, and artist residencies, visual and performing arts studios and the Island’s first indoor cafe. NYCEDC also closed a funding agreement during Fiscal 2020 to support Leake and Watts, a not-for-profit organization that addresses the challenges that confront individuals and families dealing with poverty, disabilities and lack of access to education and basic services. This renovation project will provide funding for additional classroom spaces for programs serving children and adults on the autism spectrum, as well as expanded interior and exterior entryways and the installation of a new elevator to provide for better access to those with physical disabilities.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
New York City Industrial Development Agency projects - Contracts closed	14	7	14	7	9	*	*	Down	Up
★ - Projected three-year job growth associated with closed contracts	3,639	252	15,201	254	4,389	↑	↑	Up	Up
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$312.6	\$64.3	\$2,368.7	\$63.7	\$1,244.6	↑	↑	Up	Up
- Private investment leveraged on closed projects (\$000,000)	\$942.2	\$104.1	\$7,412.4	\$163.5	\$3,368.8	*	*	Up	Up
Build NYC Resource Corporation - Contracts closed	28	15	15	17	6	*	*	Down	Up
★ - Projected three-year job growth associated with closed contracts	321	419	251	278	67	↑	↑	Down	Up
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$411.2	\$169.8	\$87.0	\$297.2	\$121.4	↑	↑	Down	Up
- Private investment leveraged on closed projects (\$000,000)	\$1,404.3	\$564.1	\$616.3	\$1,000.4	\$252.2	*	*	Down	Up
Value of funding disbursed pursuant to City funding agreements (\$000,000)	\$128.7	\$70.9	\$63.3	\$128.3	\$96.7	*	*	Neutral	*
★ 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, as adjusted by the Office of the Comptroller on an annual basis. These rates will continue to be adjusted annually based on changes in the Consumer Price Index. Among NYCEDC's project portfolio, 99 percent of workers on development projects were reported to receive a living wage or more in Fiscal 2019, the last year for which data is currently available.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Project employees reported to be earning a living wage or more (%)	95%	95%	98%	99%	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
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	
Personnel	468	531	518	535	529	545	541	Up
Capital commitments (\$000,000)	\$185.5	\$338.8	\$320.0	\$397.4	\$276.4	\$890.6	\$947.0	Up

<sup>1</sup>Actual financial amounts for the 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>Expenditures include all funds "NA" - Not Available \* None

## SPENDING AND BUDGET INFORMATION

Unit of Appropriation	Expenditures FY19 <sup>2</sup> (\$000,000)	Modified Budget FY20 <sup>3</sup> (\$000,000)	Applicable MMR Goals <sup>4</sup>
006 - Economic Development Corporation (OTPS) <sup>1</sup>	\$57.4	\$154.7	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, 2019. Includes all funds <sup>3</sup>City of New York Adopted Budget for Fiscal 2020, as of June 2020. Includes all funds. <sup>4</sup>Refer to agency goals listed at front of chapter. "NA" Not Available \*None

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- The indicators 'Outstanding violations at the beginning of the period' and 'Outstanding violations closed during the period' under Goal 2a have been retired as they do not clearly reflect the goal. A replacement indicator will be included in the Preliminary Fiscal 2021 Mayor's Management Report.

## ADDITIONAL RESOURCES

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

