

# NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

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## WHAT WE DO

New York City Economic Development Corporation (NYCEDC), a not-for-profit corporation 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, 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

- NYCEDC closed two real estate transactions in the first four months of Fiscal 2019, helping to unlock over \$100 million in private investment. Among those transactions was the amendment of the ground lease for the Battery Maritime Building to reactivate the stymied redevelopment project of the landmark building into a hotel-restaurant complex. The project, which broke ground in October of 2018, is projected to create 180 permanent jobs and 112 construction jobs. The developer will work with NYCEDC to connect residents with job opportunities through HireNYC.
- Capital expenditures for design and construction projects, with the exception of those related to Asset Management and Funding Agreements, exceeded \$15 million for this reporting period. Highlights include the Coney Island West infrastructure project, which is expected to be completed in Spring of 2019 and will provide valuable infrastructure for approximately 1,000 nearby affordable housing units. Meanwhile, NYCEDC's work for NYC Health + Hospitals continues with construction well underway on Coney Island Hospital and nearly complete for Bellevue and Coler Hospitals. Finally, for NYC Parks & Recreation, NYCEDC is involved in several projects. These projects include: advancing design for Andrew Haswell Green Park and two Midtown Greenway projects on Manhattan's East River waterfront and the final phase of the High Line in Manhattan, where construction is ongoing and is expected to be complete in 2019.
- NYC Ferry ridership continues to expand with the launch of two additional routes in August: Soundview and Lower East Side. These two new routes join four existing routes (East River, Rockaway, South Brooklyn, and Astoria) to bring the NYC Ferry system to a total of six routes. This expansion of the Ferry service gives more commuters an affordable and reliable option to get to and from work each day and enhances the use of the City's waterways as an essential component of NYC's transportation network. NYC Ferry has now served over 7.5 million passengers since its launch in 2017 and has average monthly ridership of roughly 620,000 passengers. To accommodate this growing demand, the first of several larger 350-passenger ferries went into service over the summer.
- The New York City Industrial Development Agency (NYCIDA) closed two transactions during the first four months of Fiscal 2019. Together, these projects are expected to generate over \$27 million in City tax revenue, leverage approximately \$68 million in private investment and create 100 jobs within the first three years of their respective terms. The majority of this impact stems from the development of a new 72,500 square foot building in College Point, Queens to be used as the corporate headquarters of Jetro Cash & Carry and Restaurant Depot. NYCIDA benefits also assisted Western Beef Retail, Inc. in connection with the furnishing and equipping of a 15,708 square foot full-service supermarket in the Williamsbridge section of the Bronx.
- Build NYC Resource Corporation (Build NYC) closed six transactions during the first four months of Fiscal 2019. Collectively, these projects are expected to generate nearly \$28 million in City tax revenue, leverage more than \$87 million in private investment and create approximately 60 jobs within the first three years of their respective terms. For example, Build NYC provided financial assistance through tax exempt bonds to Person Centered Care Services, a New York not-for-profit corporation that provides aid to individuals with developmental disabilities. The bond proceeds from this transaction helped to finance the acquisition, renovation, furnishing, and equipping of the organization's programmatic and administrative space.
- The value of City capital grants disbursed through capital funding agreements exceeded \$27 million. Notable funding agreements that broke ground in early Fiscal 2019 include a new YMCA community and recreational facility in the Edenwald neighborhood of the Bronx and the new three story, 22,000 square foot permanent home for the Irish Arts Center.

## 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	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
★ Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000)	\$1,213.6	\$798.5	\$1,140.0	↑	↑	\$444.7	\$100.7
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	\$303.4	\$217.6	\$233.2	*	*	\$17.4	\$16.0
Graffiti sites cleaned	9,189	9,861	11,090	*	*	5,137	6,047
Square feet of graffiti removed (000)	5,650	5,720	6,139	*	*	2,997	2,849
NYC Ferry - Average monthly ridership	NA	NA	341,672	*	*	452,291	622,551
★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Capital expenditures on asset management (\$000,000)	\$45.8	\$106.9	\$95.0	*	*	\$19.3	\$8.8
★ Occupancy rate of NYCEDC-managed property (%)	93.7%	94.6%	95.0%	95.0%	95.0%	95.8%	95.0%
Portfolio revenue generated (\$000,000)	\$208.2	\$196.2	\$237.2	*	*	NA	NA
Square footage of assets actively managed by NYCEDC (000)	66,321.4	63,545.9	64,923.7	*	*	NA	NA
Outstanding violations at beginning of the period	64	51	17	*	*	17	44
Outstanding violations closed during the period	31	30	13	*	*	5	19
★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
★ Businesses served by industry-focused programmatic initiatives	2,722	2,604	1,538	↑	↑	NA	NA
Private sector jobs in innovation industries (%) (calendar year)	14.7%	14.7%	14.6%	*	*	NA	NA
New York City unemployment rate (%)	4.9%	4.9%	4.5%	*	*	4.9%	4.1%
★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
New York City Industrial Development Agency projects - Contracts closed	14	7	14	*	*	3	2
★ – Projected three-year job growth associated with closed contracts	3,639	252	15,201	↑	↑	7,504	100
★ – Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$312.6	\$58.3	\$2,355.1	↑	↑	\$1,125.0	\$27.3
– Private investment leveraged on closed projects (\$000,000)	\$942.2	\$104.1	\$7,412.4	*	*	\$3,953.7	\$68.0
Build NYC Resource Corporation - Contracts closed	28	15	15	*	*	4	6
★ – Projected three-year job growth associated with closed contracts	321	419	251	↑	↑	40	62
★ – Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$411.2	\$168.8	\$73.6	↑	↑	\$21.5	\$27.9
– Private investment leveraged on closed projects (\$000,000)	\$1,404.3	\$564.1	\$616.3	*	*	\$61.3	\$87.6
Value of funding disbursed pursuant to City funding agreements (\$000,000)	\$128.7	\$70.9	\$63.3	*	*	\$8.7	\$27.4
★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
★ Project employees reported to be earning a living wage or more (%)	95%	95%	98%	95%	95%	NA	NA
★ Critical Indicator	“NA” Not Available	↑↓ Directional Target	* None				

**AGENCY RESOURCES**

Resource Indicators	Actual			Sept. 2018 MMR Plan	Updated Plan	Plan	4-Month Actual	
	FY16	FY17	FY18	FY19	FY19 <sup>1</sup>	FY20 <sup>1</sup>	FY18	FY19
Personnel	468	531	518	522	537	537	518	530
Capital commitments (\$000,000)	\$185.5	\$338.8	\$320.0	\$1,279.6	\$910.3	\$660.1	\$101.0	\$37.6
<sup>1</sup> February 2019 Financial Plan	“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 FY18 <sup>1</sup> (\$000,000)	February 2019 Financial Plan FY19 <sup>2</sup> (\$000,000)	Applicable MMR Goals <sup>4</sup>
006 - Economic Development Corporation (OTPS) <sup>1</sup>	\$62.6	\$85.1	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, 2018. Includes all funds  
<sup>3</sup> 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 audited financial statements, NYCEDC updated annual Fiscal 2018 data as follows:
  - 'Capital expenditures (excludes asset management and funding agreements)' from \$283.1 million to \$233.1 million
  - 'Capital expenditures on asset management' from \$98.5 million to \$95.0 million.
  - 'Value of funding disbursed pursuant to City funding agreements' from \$55.3 million to \$63.3 million
- Fiscal 2018 data for the metric 'Project employees reported to be earning a living wage or more (%)', which was not available when the Fiscal 2018 Mayor's Management Report was published, has been added.

## 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).

