

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

Operations and Accomplishments

The New York City Industrial Development Agency (the “Agency” or “NYCIDA”) 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 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.

NYCIDA programs provide incentives that may include:

- 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) – The mortgage recording tax applicable to a project mortgage is reduced from 2.8% to 0.3%, lowering upfront costs.
- Property tax abatement for up to 25 years

We take immense pride in NYCIDA’s substantial contributions to the economy and the people of New York, as empowered by the General Municipal Law. Since July 2011, the Agency has leveraged discretionary incentives to induce approximately \$26.4 billion in private investment for our 137 active projects. These projects have resulted in the creation and retention of 63,765 full-time, permanent jobs as well as the development or the upgrading of nearly 31.6 million square feet of real estate for commercial activity. (Results are as of June 30, 2024.)

One of the Agency’s notable achievements this year is the launch of the Manhattan Commercial Revitalization Program. This initiative provides tax incentives for property owners making substantial investments to modernize and enhance energy efficiency in their buildings. The program aims to transform up to 10 million square feet of Manhattan commercial office space, generate approximately \$2.3 billion in construction and employment activity, increase City tax revenues, and invigorate street activity and small business opportunities.

Building on these economic contributions, NYCIDA is also dedicated to addressing critical community needs through innovative initiatives. The FRESH program has played a crucial role in bringing healthy, fresh, and diverse food options to communities while assisting the citywide goal of ensuring residents have three square feet of supermarket space per capita across every census tract. As of June 30, 2024, the Agency supports 25 supermarkets across the five boroughs, providing 215,087 New Yorkers in high need areas with local supermarket access. The NYCIDA has also played a critical role in the City's strategic initiatives to encourage private investments in innovative sectors, driving growth and diversification in New York's economy. More specifically, the Agency has been pivotal in advancing the life sciences industry, inducing the development of two, state-of-the-art commercial life sciences buildings that delivered 582,403 square feet of commercial laboratory space and are expected to support the creation of 1,777 full time permanent jobs in the industry.

NYCIDA is also at the forefront of driving investments for the green economy, enabling both the public and private sectors to achieve ambitious climate and decarbonization goals. Our battery energy storage projects are instrumental in supporting the City's objective to reduce greenhouse gas emissions. Additionally, our efforts are leveraging federal, state, and private investments to transform the South Brooklyn Marine Terminal into a world-class offshore wind port. Our role in the construction of a converter station in Astoria, Queens, is crucial to the Champlain Hudson Power Express project, which will deliver 1,250 MW of Canadian hydroelectric power to the NYC electricity grid. This project alone will power more than one million homes, significantly contributing to New York State's goal of achieving a 100% zero-emission electricity grid by 2040.

To date, NYCIDA has authorized 33 projects to support the City's transition to renewable energy. These projects are expected to transmit 2,060 megawatts (MW) of renewable energy to NYC, which is enough to power 2,000,000 households, and store 284 MW for periods of high demand, which is enough to power 284,000 households.

As we look ahead, NYCIDA remains dedicated to supporting New York City's economic vitality and sustainability. We are grateful for the trust and collaboration of our stakeholders and look forward to continuing our work to drive prosperity and innovation in our beloved city.

Projects Undertaken during Fiscal Year 2024

Fiscal Year 2024 has been a particularly strong year for the NYCIDA, with eight transactions being closed this year. Together, these projects are expected to generate approximately \$151.6 million in City tax revenue, a five-fold increase from FY23, \$557.6 million in private investment leveraged, a nearly six-fold increase from FY23, and a projected three-year job growth of 169 full-time employees, a ten percent increase from FY23. The improved results of this fiscal year can be attributed to closings of several large transactions.

East End Studios

On November 15, 2023, East End Studios broke ground on a new, state-of-the-art 270,000 square foot film and TV studio complex in Sunnyside, Queens, which will be known as East End Studios. This followed the NYCIDA closing on its benefit agreement with East End Studios in July 2023, leveraging over \$300 million in private investment to support the creation of much needed studio space for New York City's growing film industry, with support from the New York City Mayor's Office of Media and Entertainment. The property tax abatement, mortgage recording tax exemption, and sales tax exemption provided by the NYCIDA will help lower upfront construction costs in addition to long term operating, allowing the project to support the creation of over 400 jobs associated with studio operations. Additionally, East End Studios will collaborate on workforce development initiatives with two local nonprofits: Ghetto Film School and ReelWorks, which operate across Queens, Brooklyn, and the Bronx. Under the agreements, East End Studios will provide financial support, internships, and access to studio space and equipment to the nonprofits, while the nonprofits will also provide access to a diverse talent pool for local hiring.

Foodirect at Hunts Point Cooperative Market

NYCIDA closed on a benefits agreement with Foodirect, Inc., a Bronx-based full-service food distributor, in July 2023. Foodirect has been located at the Hunts Point Cooperative Market since the 1970s and is the Market's largest full-service food distributor with over 5,000 products. A large portion of the company's customer base consists of bodegas and small grocery stores in the Bronx and Upper Manhattan, and the company also services restaurants, diners, and pubs throughout the City. Foodirect owns 28 stalls at the Market and has been looking for opportunities for expansion after having reached capacity. With the sales tax exemptions provided by the NYCIDA, the company was able to pursue a major renovation project of just over 82,000 square feet of stall space within the Market, leveraging over \$22 million in private investment. Productivity upgrades to the current facility made possible by the NYCIDA's involvement will enable Foodirect to expand their services, increase employment, and upgrade energy efficiency and storage capacity. Foodirect expects to retain 151 full-time

equivalent jobs and create an additional 22 full-time equivalent jobs over the next 3 years as part of the project.

174 Power Global

In April 2024, the NYCIDA closed on an important transaction with 174 Power Global in connection with the development of a 100-Megawatt bulk battery energy storage system in Astoria, Queens, leveraging over \$185 million in private investment. Headquartered in California, 174 Power Global is a developer of solar power, green hydrogen, and battery energy storage. The project represents the company's first development on the East Coast and was conceived in response to a Request for Proposals by Con Edison for Bulk Energy Storage projects. Once completed, the project will be amongst the largest battery storage installations in New York State and will hold enough electricity to supply tens of thousands of New York City households during a peak summer day. Battery storage is critical to transitioning the City's grid to renewable energy, as it will allow for electricity from solar and wind to be captured during periods of excess generation. The NYCIDA was able to make this project financially viable with the provision of property tax abatement, exemption from mortgage recording tax, and exemption from City and State sales tax. The NYCIDA continues to support the battery storage sector and has been an essential tool in lowering the cost of new battery storage development across the City.