

FY 2019 Borough Budget Consultations

Manhattan - Economic Development Corporation

Meeting Date 9/13/2017

AGENDA ITEM 2 : Affordable Housing

What funds were allocated in FY18 for potential affordable housing projects on city land as part of the Housing New York Plan? What amount of this funding does EDC anticipate will be used for sites in Manhattan? Will there be funding available for community engagement related to these projects in FY18? Please provide a list of projects by community district.

AGENCY RESPONSE:

The City is committed to creating a significant amount of affordable housing as part of Housing New York. Our city partners at HPD can speak to funds allocated in FY18 for potential affordable housing projects on city land. EDC has two development projects in Manhattan with affordable housing components, including the East 126th Street Bus Depot (District 8) and Slaughterhouse (District 3). Both projects have involved an extensive amount of community engagement with local stakeholders and electeds, but we cannot predict how much funding will be available specifically for community engagement in FY 18. We anticipate that a healthy level of community involvement/input into these projects will continue through ULURP and RFP release.

MEETING NOTES:

COMMENTS:

Community outreach is a priority; talks to many different groups for input.

FOLLOW-UP:

Justine Johnson (EDC) will get back to folks regarding community outreach process for certain projects. Will also get specifics on relationship between EDC and HPD.

AGENDA ITEM 3 : Business Investment and Incentives for Diversity

What EDC programs are being applied by EDC to provide incentives for diverse business investments and entrepreneurship? What is the funding for these programs in FY18 and planned for FY19?

AGENCY RESPONSE:

EDC runs a number of programs to encourage diverse industry growth and entrepreneurship. One such program is Futureworks NYC, a network of partnerships, services, and spaces dedicated to increasing local production and supporting advanced manufacturing. The initiative helps support over 3000 businesses through a virtual incubator, business extension service, and access to workspaces with prototyping and fabrication equipment. EDC has committed \$13 million to this project.

Another example is the NYC Food and Beverage and Manufacturers Growth Fund. The Fund's growth loans enable eligible industrial businesses to invest in and expand their business operations to create new employment opportunities in the City. EDC has committed \$1 million to the fund, with a private contribution. The fund is lending through December 2017.

MEETING NOTES:

COMMENTS:

Growth Fund ends in FY 17.

FOLLOW-UP:

EDC will get information about incubators.

AGENDA ITEM 4 : Incubators and Workspaces

What efforts are being made by the EDC to develop Incubator and Workspaces programs in Manhattan?

AGENCY RESPONSE:

In the last five years, EDC has helped seed a network of 17 incubators across the five boroughs. We appreciate the role that affordable workspaces and incubators play in facilitating the success of NYC's entrepreneurs.

The private market now has many incubator and workspace programs available across a wide swath of Manhattan; NYCEDC is evaluating the appropriate role to play in order to help our operators maintain long-term sustainability for future co-working spaces in a number of fields.

For instance, we are working to identify much-needed affordable, wet-lab incubator space for early-stage life sciences companies. This would be the first opportunity in NYC for independent 500SF laboratories to find step-out space at affordable rates.

Similarly, our fashion desk runs a business-to-business focused initiative called the Made in NY Tradeshow Program that offers emerging NYC-based designers free booths at the Designers & Agents show. This program helps emerging designers grow their business by providing access to retail buyers and industry leaders that are otherwise inaccessible.

Another example is the upcoming development at East 14th Street - Union Square Tech Hub. This space will house an innovative model for tech skills and job training. The space will support high-growth startups with rapidly changing leasing needs, while offering affordable access to 21st century skills training for industries that offer career pathways into the middle class. The food hall on the ground floor will reserve 25% of booths for first-time entrepreneurs.

MEETING NOTES:

COMMENTS:

FOLLOW-UP:

Justine Johnson (EDC) will provide information on location/spreadsheet of incubators.

AGENDA ITEM 5 : City Wide System Ferry

What is the funding for the Citywide Ferry System How many routes and landings are planned and what capital infrastructure funding is required. What funding is being sought for FY18 and future years to determine the effectiveness of the program and to support it's expansion to the west side of Manhattan?

AGENCY RESPONSE:

Funding for the NYC Ferry comes mostly from EDC self-funds. This includes \$11.6 million for the East River Ferry vessel purchase and upgrades, and \$30 million per year in annual operating costs.

The first route was launched on May 1, 2017. In total, there will be 6 routes: Rockaways, South Brooklyn, Astoria, East River, Soundview, and Lower East Side. There are 22 landings across the entire system, with 10 new landings and 5 landings being upgraded.

To meet our timeline, we have been laser-focused on launching service routes that have been identified for 2017 and 2018. Once the system is fully built out, we do expect to generate a wealth of information that could help inform a

future study of additional sites and routes, including potential West Side expansion. Any new routes or landings would need to demonstrate viability.

MEETING NOTES:

COMMENTS:

In 2017, a route for ferries was finished. In 2018, there will be two more routes, but in general EDC will conduct a study regarding viable routes.

FOLLOW-UP:

AGENDA ITEM 6 : Training and Learning for Low Income

What programs are funded to link economic development projects to training and earning opportunities for low-income New Yorkers?

AGENCY RESPONSE:

NYCEDC runs a number of programs to connect low-income residents to jobs in their communities.

Our FRESH (Food Retail Expansion to Support Health) program promotes the establishment and retention of supermarkets in underserved communities by providing zoning and financial incentives to eligible operators and developers. FRESH benefits are typically available in distressed neighborhoods and is intended to encourage grocery stores to open in low-income neighborhoods where market incentive is targeted to grocery stores considering opening in a low-income neighborhood where profit potential is low. In the last 8 years, this program has resulted in more than \$100 million in private investment.

ConstructNYC is a MWBE initiative that allows similarly-sized MWDBEs to compete against each other for EDC contracts. Pre-qualified firms receive fast tracked payments and access to mobilization capital, as well as 6-week capacity-building education to ensure success on site. The Emerging Developer Loan Fund is a \$10 million loan fund that also assists emerging developers, including MWBE-owned firms that are involved with development projects throughout NYC. These funds come from NYCEDC's operating funds.

Of course, we also have HireNYC that provides no cost recruitment and hiring services to developers and businesses, targeting local, low-income residents for permanent jobs associated with these projects. The program goals are: 50% of new permanent jobs filled by members of the target population, 40% of hired employees retained for at least 9 months, and 30% promoted within a year.

MEETING NOTES:

COMMENTS:

FOLLOW-UP:

Justine Johnson will get back regarding if EDC needs more funding/staffing. Will get back regarding how many hires are local vs. non-local.

AGENDA ITEM 7 : Recommended Priorities for CB Support

What budget priorities would EDC want community boards to support?

AGENCY RESPONSE:

EDC appreciates support from community boards on any initiatives around neighborhood development and job

creation. Capital projects with funding gaps could always use some fiduciary support/advocacy.

MEETING NOTES:

COMMENTS:

FOLLOW-UP:

Justine Johnson (EDC) will follow up regarding if a construction command center can be set up in Lower Manhattan to coordinate major projects.

AGENDA ITEM 8 : Graffiti Removal

EDC is responsible for graffiti removal. Please describe the process and the funding for the program in FY18 and FY19.

AGENCY RESPONSE:

Graffiti Free NYC provides graffiti removal services to affected public and private properties throughout the five boroughs of NYC. This is a complaint-based program in which public and property owners can request graffiti removal through 311. Currently, the program consists of 13 trucks. The Mayor announced the expansion of the program with the addition of power washing responsibilities in his 2016 State of the City. The FY '17 budget allocated for Graffiti Free NYC is \$4.2 million in expense funds and \$4.3 million in capital funds.

MEETING NOTES:

COMMENTS:

FOLLOW-UP: