

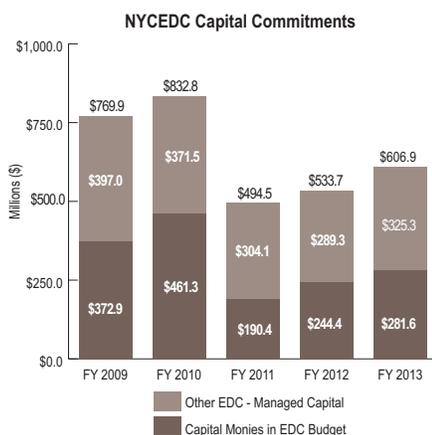


NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

Kyle Kimball, President

What We Do

New York City Economic Development Corporation (NYCEDC), a nonprofit organization operating under contract with the City of New York, serves as the City's primary engine for economic development and job creation by investing in major infrastructure upgrades, capital projects, and area-wide development. NYCEDC manages City-owned properties and, through New York City Industrial Development Agency (NYCIDA) and Build New York City Resource Corporation (Build NYC), 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. The Center for Economic Transformation at NYCEDC works to enhance the City's major business sectors by addressing challenges faced by industries through analysis of current economic trends; developing strategies and solutions; and implementing programs that help businesses thrive and grow.



Our Services and Goals

Service 1: Invest in the City's physical transformation, including basic infrastructure, area-wide redevelopment, amenities such as schools and parks, and transportation resources.

Goal 1a: Attract businesses and improve quality of life.

Goal 1b: Facilitate private sector investment and make City investments where necessary, generating a positive return for City taxpayers.

Service 2: Manage, enhance and leverage City assets to drive growth.

Goal 2a: Maintain physical assets to keep them in a state of good repair and attract businesses.

Service 3: Give businesses and entrepreneurs the tools to be competitive and to help transform and grow the City's economy.

Goal 3a: Help incumbent businesses transition to new business models, attract new industries, and promote entrepreneurship.

How We Performed in Fiscal 2013

Service 1: Invest in the City's physical transformation, including basic infrastructure, area-wide redevelopment, amenities such as schools and parks, and transportation resources.

Goal 1a: Attract businesses and improve quality of life.

NYCEDC made significant progress during Fiscal 2013 in creating and enhancing the physical infrastructure that attracts businesses and improves New Yorkers' quality of life. Capital expenditures for these projects during Fiscal 2013 exceeded \$365 million on a portfolio with a total value of more than \$2 billion.

Projects completed during the year include the first phase of Hunter's Point South in Long Island City, which includes a five-acre waterfront park and infrastructure that will support future development and lead to the largest new affordable housing complex to be built in New York City since the 1970s; and new public open space in Coney Island, Steeplechase Plaza, where a historic carousel was also refurbished and opened to the public. Construction work continued on the next section of the elevated High Line Park and on Hudson Park and Boulevard; together these projects will provide valuable open space to the emerging Hudson Yards neighborhood.

New private investment from real estate sales and lease transactions dropped from \$432 million to \$331 million in Fiscal 2013. Fluctuations are expected from year to year depending on the volume of deals, which can vary significantly. However, despite the decrease, private investment has dramatically rebounded from the years of the downturn and is expected to continue to rise as the City's overall economy improves.

NYCEDC-negotiated sales of City-owned properties generate hundreds of millions of additional dollars while transforming the City's physical infrastructure. Recent transactions include the sale last September of a sanitation garage on

East 73rd Street for \$215 million that will allow Memorial Sloan-Kettering Cancer Center to build a new facility and CUNY Hunter College to expand its science and nursing facilities. The expansion of these institutions will help the City keep its competitive edge in healthcare and science research and development. In addition, the sale of two underutilized civic center buildings in Lower Manhattan for nearly \$250 million, announced in March 2013, will allow for redevelopment, including residential, retail, hotel, and commercial space that will create economic activity and bring jobs to Lower Manhattan while generating revenue for the City.

The \$2.1 million sale of an approximately 71,000 square foot parcel in the Bronxchester Urban Renewal Area for a new mixed-use project will create more than 86,000 square feet of amenities in the Bronx, including retail, office space, and a new public plaza visible from one of the Bronx's busiest retail corridors. The parcel is near the Hub and has been a blight on a major thoroughfare for decades. The project is expected to generate 121 construction jobs and 279 permanent jobs.

In May 2013 NYCEDC announced the \$3.5 million sale of a 109,000 square-foot City block at the Cross-Bronx Expressway and 3rd Avenue in the Bathgate Industrial Business Zone that will become the headquarters of an importer, manufacturer, and distributor of Greek and Mediterranean food products. The site has been vacant for 27 years. The new 90,000 square-foot facility will generate 32 construction jobs and 90 permanent jobs.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
★ Projected new private investment related to sale/long-term lease of City-owned property (\$000,000)	\$324.2	\$98.0	\$63.0	\$432.3	\$331.2	*	\$425.0	Up	Up
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	NA	NA	NA	NA	\$365.0	*	*	Neutral	NA
Graffiti sites cleaned	6,575	9,748	17,210	13,367	10,727	*	*	Neutral	Up
Square feet of graffiti removed (000)	7,254	5,832	5,912	4,242	4,078	*	*	Neutral	Down

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

Goal 1b: Facilitate private sector investment and make City investments where necessary, generating a positive return for City taxpayers.

NYCEDC continued to promote private sector investment across the five boroughs in a number of ways, including through financing and benefit programs implemented by Build NYC Resource Corporation (Build NYC), which assists qualified projects in obtaining tax-exempt and taxable bond financing, and New York City Industrial Development Agency (NYCIDA), which provides companies with access to tax-exempt bond financing and tax benefits to acquire or create capital assets.

During Fiscal 2013 NYCIDA closed 20 projects which are expected to generate close to \$577 million in City tax revenue and 5,348 jobs. Projects NYCIDA closed include the Hudson Yards commercial construction project, where funding will help finance the construction of a 1.84 million square foot office tower in the Hudson Yards area of Manhattan; and a \$127 million tax exempt bond issuance for the refinancing of two air cargo facilities at JFK International Airport.

During its two years of existence, Build NYC has already distinguished itself as the City's vehicle to provide access to tax-exempt financing for eligible entities, including 501(c)(3) not-for-profit organizations. During the reporting period Build NYC closed 24 projects, which are expected to generate approximately \$174 million in City tax revenue and 491 jobs. One notable achievement is Build NYC's groundbreaking work in closing the first three tax-exempt financings for public charter schools in New York City. Additionally, through the issuance of tax-exempt bonds, Build NYC assisted Montefiore Medical Center in obtaining necessary funds to finance the tenant improvements and equipment for a new 280,000 square foot office and outpatient building to be constructed at the Hutchinson Metro Center.

The value of funding disbursed from City funding agreements decreased from \$104.8 million in Fiscal 2012 to \$91 million this year, a direct result of what is allocated in the City's capital budget. A notable agreement from this period includes the \$50.5 million agreement to develop the Loew's Kings Theater by providing funding to restore and redevelop the 3,200-seat theater, located in the Flatbush neighborhood of Brooklyn, for operation as a modern performance space. The theater has been vacant for over 35 years and previous attempts to revitalize the building were unsuccessful. Once the renovations are complete in late 2014, the theater is expected to host 200-250 performances a year.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
New York City Industrial Development Agency projects - Contracts closed	10	7	7	12	20	*	*	Up	Up
★ - Projected three-year job growth associated with closed contracts	NA	112	270	1,452	5,348	*	2,000	Up	NA
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$64.7	\$30.5	\$229.2	\$302.1	\$576.4	*	↑	Up	NA
- Private investment leveraged on closed projects (\$000,000)	NA	NA	NA	NA	\$1,710.5	*	*	Up	NA
Build NYC Resource Corporation - Contracts closed	NA	NA	NA	4	24	*	*	Up	NA
★ - Projected three-year job growth associated with closed contracts	NA	NA	NA	12	491	*	500	Up	NA
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	NA	NA	NA	NA	\$173.6	*	↑	Up	NA
- Private investment leveraged on closed projects (\$000,000)	NA	NA	NA	NA	\$513.7	*	*	Up	NA
Value of funding disbursed pursuant to City funding agreements (\$000,000)	\$225.6	\$246.4	\$71.1	\$104.8	\$91.0	*	*	Neutral	Down

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

Service 2: Manage, enhance and leverage City assets to drive growth.

Goal 2a: Maintain physical assets to keep them in a state of good repair and attract businesses.

The occupancy rate at NYCEDC-managed property remained high at over 95 percent. The real estate portfolio generated approximately \$180 million in revenue during Fiscal 2013. NYCEDC-managed property includes the Brooklyn and Manhattan cruise terminals, at which over 250 ships called in Calendar 2012, and the Brooklyn Army Terminal, which is now 97 percent occupied by nearly 100 tenants employing more than 3,000 workers. New tenants at the terminal include Jacques Torres Chocolate, which began operations at a new 39,500 square foot chocolate factory there in May.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
Capital expenditures on asset management (\$000,000)	NA	NA	NA	NA	\$11.5	*	*	Neutral	NA
★ Occupancy rate of NYCEDC-managed property (%)	91.8%	91.7%	91.7%	95.0%	95.7%	*	95.0%	Up	Neutral
Portfolio revenue generated (\$000,000)	NA	NA	NA	NA	\$180.3	*	*	Up	NA
Square footage of assets actively managed by NYCEDC (000)	NA	NA	57,274.0	65,570.3	65,537.1	*	*	Neutral	NA
Outstanding violations at beginning of the period	NA	NA	NA	NA	55	*	*	Down	NA
Outstanding violations closed during the period	NA	NA	NA	NA	19	*	*	Up	NA

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

Service 3: Give businesses and entrepreneurs the tools to be competitive and to help transform and grow the City's economy.

Goal 3a: Help incumbent businesses transition to new business models, attract new industries, and promote entrepreneurship.

NYCEDC continues to attract the industries of tomorrow and promote entrepreneurship across a variety of sectors in order to ensure the City's future success as a global hub of innovation. By year-end, the number of projects managed by the Center for Economic Transformation had grown to 94 from 55 a year ago.

Milestones achieved over the past year include the advancement of the City's historic Applied Sciences NYC initiative, which is critical for attracting 21st century industries, through the creation of three new applied sciences campuses. These campuses will ultimately stimulate the creation of hundreds of start-up companies. After launching classes earlier this year in temporary space, the Cornell-Technion campus received final land use approval from the City Council in May for its permanent home on Roosevelt Island and is on track to open there in 2017. Meanwhile, the NYU-led Center for Urban Science and Progress recently opened in its own interim space in Downtown Brooklyn and is moving forward with plans to renovate its permanent home as well. The third winner of the applied sciences competition, Columbia University, launched

its new Institute for Data Sciences and Engineering earlier this year. Over the next three decades these campuses are expected to generate nearly \$33 billion in overall economic impact, create more than 48,000 jobs and nearly 1,000 spin-off companies, and more than double the number of full-time graduate engineering students and faculty members in the City.

NYCEDC continued to support promising entrepreneurs across a wide array of sectors with programs such as NYC Big Apps, an annual mobile app development competition; New York's Next Top Makers, a competition to promote 3-D printing; and a \$10 million food manufacturer's fund, which is available for small food manufacturers to expand their operations and create jobs.

NYCEDC is also working to nurture innovative new companies by providing low-cost space to entrepreneurs. There are currently 11 open incubators in the City, housing 600 companies and employing 1,000 people. Five additional incubators are in the pipeline.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
★ Active Center for Economic Transformation projects managed	NA	NA	36	55	94	*	*	Neutral	NA
Innovation Index score (calendar year)	NA	NA	NA	116.7	119.5	*	*	Up	NA
New York City unemployment rate (%)	7.2%	10.1%	8.9%	9.4%	8.5%	*	*	Down	Neutral

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

Agency Resources

Resource Indicators	Actual					Plan ¹		5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14	
Personnel	445	404	403	400	405	411	408	Neutral
Capital commitments (\$000,000)	\$372.9	\$461.3	\$190.4	\$244.4	\$281.6	\$1,220.1	\$81.4	Down

¹Authorized Budget Level ²Expenditures include all funds. "NA" - Not Available in this report

Noteworthy Changes, Additions or Deletions

- Due to a data entry error the Fiscal 2012 value for the metric 'Projected new private investment related to sale/long-term lease of City owned property (\$000,000)' was reported as \$918.3 million instead of \$432.3 million. Although significantly lower, the corrected number still represents a dramatic increase in private investment over Fiscal 2011. The Fiscal 2014 target for this indicator has been revised to reflect current projections.
- Since projects for Build New York City Resource Corporation (Build NYC) and the New York City Industrial Development Agency (NYCIDA) are often not identified until a few months before a project closes, it is difficult to forecast the number and size of anticipated projects. However, with respect to projected jobs, Build NYC and NYCIDA both anticipate maintaining robust activity in the coming year. Fiscal 2014 targets for associated indicators reflect these expectations.
- Reporting for the indicator 'Innovation Index score' is based on a calendar year. Data previously reported has been moved to the correct fiscal year column, that is, the Calendar 2012 data appears in the Fiscal 2013 column and the Calendar 2011 data now appears in the Fiscal 2012 column.

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