



NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

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WHAT WE DO

New York City Economic Development Corporation (NYCEDC), a nonprofit organization operating under contract with the City of New York, is the City's primary engine for economic development, encouraging economic growth throughout the five boroughs by strengthening the City's globally competitive position and facilitating investments that build capacity, create jobs, generate economic opportunity and improve quality of life for all New Yorkers. 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 legacy and emerging industries through analysis of current economic trends, development of strategies and solutions, and implementation of programs that help businesses thrive and grow. Through the New York City Industrial Development Agency (NYCIDA) and Build New York City Resource Corporation (Build NYC), NYCEDC 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.

FOCUS ON EQUITY

NYCEDC fosters equality of opportunity across New York City through focus on creating quality jobs and access to opportunities in key growth sectors as well as by providing resources for individuals to start and grow their businesses. By connecting employers to communities through economic development projects, NYCEDC leverages the power of City capital and procurement to create high quality and local employment opportunities for residents. NYCEDC has built a network of incubators providing low-cost space for entrepreneurs in industries including manufacturing, food production, bioscience, clean tech, film and digital. Additionally, NYCEDC is launching an incubator partnership with Lehman College in the Bronx to provide education, mentorship, space and loans to low-income entrepreneurs. To foster entrepreneurship among high school students, NYC Generation Tech, a partnership between NYCEDC and the Network for Teaching Entrepreneurship, provides hands-on learning experiences and mentorship for public high school students interested in innovation and technology. And as part of its commitment to Minority, Women, and Disadvantaged-owned Business Enterprises (M/W/DBEs), NYCEDC's Blueprint to Success program offers workshops and individualized assistance to provide owners of M/W/DBE construction firms with skills and knowledge to grow and to qualify as contractors on NYCEDC projects.

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.

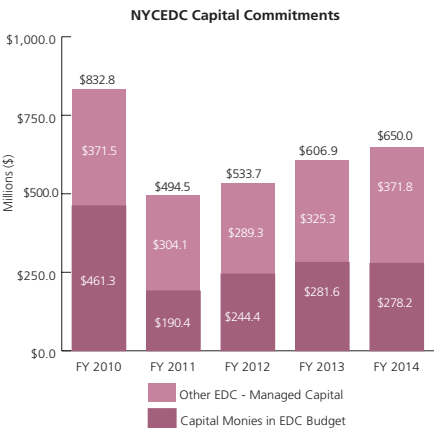
HOW WE PERFORMED IN FISCAL 2014

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 continued to help spur economic activity in New York City in Fiscal 2014, including an historic increase in new private investment from real estate sales and lease transactions of City-owned property, which increased from \$331 million to \$6.02 billion. Several initiatives fueled this activity, with the Cornell Tech campus accounting for about half of this overall number, for a total investment of \$3.12 billion.

In December 2013 NYCEDC executed a 99-year lease with Cornell University for 12 acres of Roosevelt Island, paving the way for the construction of a two million square foot campus that, when fully completed in 2037, will house 2,000 students and nearly 280 faculty and researchers. Cornell University, in partnership with Technion-Israel Institute of Technology, will construct the Cornell Tech campus, a graduate-level technology institution that will confer graduate degrees and conduct research that drives technology, innovation, commercialization and the creation and retention of businesses and jobs in New York City. The project will break ground in January 2015, with the first classrooms on Roosevelt Island set to open in 2017. The campus alone will help create up to 20,000 construction jobs and up to 8,000 permanent jobs. Equally important, the campus is expected to generate hundreds of spin-off companies projected to create a substantial number of additional indirect, permanent jobs in New York City.



Other Fiscal 2014 highlights include the July 2013 sale of an approximately 47,000 square foot parcel across the street from the Brooklyn Academy of Music (BAM) to 20 Lafayette LLC, an affiliate of Two Trees Management Co. The site is currently a parking lot and will be developed into an approximately 350,000 square foot mixed-use development with a public plaza that will be an addition to the Downtown Brooklyn Cultural District. The 32-story building will include more than 300 residential units, 60 of which are expected to be affordable; a 50,000 square foot community facility for cultural use that will be shared by BAM and other organizations; approximately 22,500 square feet of retail space; and underground parking. The project is anticipated to create 420 construction jobs and 90 permanent jobs.

In April 2014 NYCEDC leased an approximately three-acre site in the St. George section of Staten Island to Triangle Equities for \$400,000 a year. The lease has a purchase option for \$5.1 million at the end of the project's full construction. The site is the former home of the U.S. Lighthouse Service Depot and was transferred to the City in the early 1980s for the construction of the Staten Island Ferry maintenance facility. The Lighthouse Point project will restore and repurpose the six historic structures on the site and will create two new towers on the vacant land parcels. In total, the project will create approximately 500,000 square feet of retail, residential and hotel development; considerable public open space; and significant structured parking. The redevelopment is anticipated to create approximately 226 permanent jobs and over 400 construction jobs. In addition, 20 percent of the residential units constructed as part of the project will be permanently affordable.

Capital expenditures during the Fiscal 2014 exceeded \$296 million. Projects completed during the year include the Henry J. Carter Specialty Hospital and Nursing Facility in Upper Manhattan; the Theatre for a New Audience at Polonsky Shakespeare Center and BRIC Arts Media House, both capital improvement initiatives for the Downtown Brooklyn area; completion of the Randall's Island Pathways; and the High Line Maintenance and Operations Facility. Additionally, substantial infrastructure improvements continued in Willets Point, Queens; in Stapleton on Staten Island; and under the New York Harbor, where a new water tunnel is being constructed between Brooklyn and Staten Island.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★ Projected new private investment related to sale/long-term lease of City-owned property (\$000,000)	\$98.0	\$63.0	\$432.3	\$331.2	\$6,020.5	\$1,000.0	\$425.0	Up	NA
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	NA	NA	NA	\$365.0	\$296.3	*	*	Neutral	NA
Graffiti sites cleaned	9,748	17,210	13,367	10,727	7,909	*	*	Neutral	Down
Square feet of graffiti removed (000)	5,832	5,912	4,242	4,078	4,325	*	*	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 continues to promote private investment across the five boroughs in a number of ways, including through financing programs administered 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 incentives to acquire or create capital assets.

NYCIDA and Build NYC both helped support dozens of industrial companies and non-profits in their efforts to locate or grow their businesses across the five boroughs.

In Fiscal 2014 NYCIDA closed 21 projects which are expected to generate nearly \$1.37 billion in City tax revenues and over 12,000 jobs. Projects NYCIDA closed include: ERY Tenant LLC, a developer of a 3.8 million square foot, Class A office and retail tower in the Hudson Yards area in the Far West Side of Manhattan, which is expected to catalyze over \$4.1 billion in private investments and provide a base for 8,400 workers; and E. Gluck Corp., one of the City's last remaining manufacturers of timepieces, which secured a new facility at a vacant industrial site in Little Neck, Queens, with assistance from NYCIDA. Fiscal 2015 targets for NYCIDA's associated indicators take into account more closings of small- and mid-size industrial projects, rather than those of large commercial development projects.

Build NYC continues to serve as the City's primary vehicle to provide access to tax-exempt financing for qualified private entities, including not-for-profit organizations. During Fiscal 2014 Build NYC closed 21 transactions, which are expected to generate over \$250 million in City tax revenues and over 300 jobs. Through the issuance of tax-exempt bonds, Build NYC assisted Mount Sinai Hospital to obtain financing for the renovation and expansion of its Queens facility in Astoria. In addition, Build NYC was instrumental in helping Manhattan College secure funding to complete the construction of a new student commons building on the college's campus in the Riverdale section of the Bronx.

Overall, during its less than three full years of existence, the primary demand for Build NYC's financing assistance has been to assist eligible entities with refinancing and debt restructuring. In the coming year Build NYC anticipates its focus will shift to issuing tax-exempt bonds to finance new capital projects.

Performance Indicators	Actual					Target			
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	Desired Direction	5yr Trend
New York City Industrial Development Agency projects - Contracts closed	7	7	12	20	21	*	*	Up	Up
★ - Projected three-year job growth associated with closed contracts	112	270	1,452	5,348	12,238	2,000	2,100	Up	NA
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	\$30.5	\$229.2	\$302.1	\$576.4	\$1,370.4	↑	↑	Up	NA
- Private investment leveraged on closed projects (\$000,000)	NA	NA	NA	\$1,710.5	\$5,189.0	*	*	Up	NA
Build NYC Resource Corporation - Contracts closed	NA	NA	4	24	21	*	*	Up	NA
★ - Projected three-year job growth associated with closed contracts	NA	NA	12	491	307	500	300	Up	NA
★ - Projected net City tax revenues generated in connection with closed contracts (\$000,000)	NA	NA	NA	\$173.6	\$250.9	↑	↑	Up	NA
- Private investment leveraged on closed projects (\$000,000)	NA	NA	NA	\$513.7	\$555.8	*	*	Up	NA
Value of funding disbursed pursuant to City funding agreements (\$000,000)	\$246.4	\$71.1	\$104.8	\$91.0	\$166.3	*	*	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 rose to over 97 percent in Fiscal 2014, a five-year high, and the real estate portfolio generated approximately \$200 million in revenue, an increase of almost 11 percent. NYCEDC-managed property includes the Brooklyn Army Terminal, which is now 99 percent occupied by nearly 100 tenants employing more than 3,600 workers. New tenants at the terminal include USA Made Textiles, which began operations at a new 39,500 square foot garment factory in September 2013 and employs almost 90 workers. For Fiscal 2015 NYCEDC received an allocation of \$100 million to develop 500,000 square feet from raw, unusable space to fully leasable space that can support dozens of industrial companies and create thousands of jobs. This investment of City capital funding will complement an additional \$15 million NYCEDC is separately investing in the total renovation of the Administration Building at the Terminal.

Performance Indicators	Actual					Target			
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	Desired Direction	5yr Trend
Capital expenditures on asset management (\$000,000)	NA	NA	NA	\$11.5	\$46.4	*	*	Neutral	NA
★Occupancy rate of NYCEDC-managed property (%)	91.7%	91.7%	95.0%	95.7%	97.3%	95.0%	95.0%	Up	Neutral
Portfolio revenue generated (\$000,000)	NA	NA	NA	\$180.3	\$199.4	*	*	Up	NA
Square footage of assets actively managed by NYCEDC (000)	NA	57,274.0	65,570.3	65,537.1	66,394.3	*	*	Neutral	NA
Outstanding violations at beginning of the period	NA	NA	NA	55	35	*	*	Down	NA
Outstanding violations closed during the period	NA	NA	NA	19	23	*	*	Up	NA

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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 help legacy industries transition to new business models, attract new industries and promote entrepreneurship with a focus on sustainable job growth and a more equitable City. During Fiscal 2014 the number of projects managed by the Center for Economic Transformation (CET) decreased to 88 from 94 a year ago, due to either consolidation of several overlapping programs or a decision to terminate certain programs. Moreover, CET worked to make sure that its programs were promoting broad civic engagement and citywide workforce and skill development in communities in all five boroughs. For example, participants in NYC Big Apps can compete in “BigIdea” challenges that link the City’s leading civic organizations with participants to help tackle challenges and build innovative solutions. Big Apps increased its civic “BigIdea” partnerships from 10 to 32 through new and ongoing partnerships with City agencies, non-profits, civic-minded companies and others. NYC Generation Tech also continued to provide mentorship and entrepreneurship training to disadvantaged high school students through an intensive boot camp in which student teams develop mobile app prototypes and business plans. This year’s boot camp served over 40 students.

In addition, CET continues to spur innovation through targeted deployment of resources and capital, such as the City of New York Early-Stage Life Sciences Funding Initiative – a project that represents an unprecedented public-private partnership across world-class academic institutions, industry leaders, top-tier investors and the philanthropic community. With at least \$50 million in matching funds from top-tier venture capital partners, the funding partnership will deploy in excess of \$100 million and will seek to launch 15 to 20 breakthrough ventures by 2020, transforming the landscape of life sciences in the City and advancing cutting-edge innovations in medicine. NYCEDC is also working to support early-stage life science companies with new wet-lab space through Harlem Biospace, a 2,300 square foot business incubator that provides up to 24 individuals and businesses with access to affordable shared wet-lab and office space, shared specialized equipment, mentorship and classes.

Performance Indicators	Actual					Target			
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	Desired Direction	5yr Trend
★Active Center for Economic Transformation projects managed	NA	36	55	94	88	*	100	Neutral	NA
Innovation Index score (calendar year)	NA	NA	116.7	119.5	124.9	*	*	Up	NA
New York City unemployment rate (%)	10.1%	8.9%	9.4%	8.5%	8.2%	*	*	Down	Down

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AGENCY RESOURCES

Resource Indicators	Actual					Plan		5-year Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	
Personnel	404	403	400	405	411	418	416	Neutral
Capital commitments (\$000,000)	\$461.3	\$190.4	\$244.4	\$281.6	\$278.2	\$1,064.6	\$234.0	Down

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- Build NYC revised its Fiscal 2015 target for ‘Projected three-year job growth associated with closed contracts’ to 300 from 525.
- NYCEDC revised the Fiscal 2015 target for ‘Active Center for Economic Transformation projects managed’ to 100 from 120.

ADDITIONAL RESOURCES

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