

# FY 2026 Borough Budget Consultations

## Manhattan – Economic Development Corporation

### Meeting Date:

The purpose of holding the Borough Budget Consultations is to have a straightforward and frank conversation about each agency's budget needs and requests. Unlike other venues, such as City Council Hearings, these consultations are not open to the public nor are they recorded. The information provided assists Community Boards in drafting our own Statement of District Needs and Budget Priorities and it facilitates the opportunity to do so in a way that supports the Agency's goals. Community Board Members often lack expertise about funding sources and the processes within Agencies regarding funding of various programs and initiatives. However, they are very knowledgeable about what local services are needed in their neighborhoods and the effectiveness of Agency programs.

This year's Manhattan agendas have three sections:

#### I. General overview of current and outyear agency budgets

1. What is the overall budget increase or decrease for the Agency in the FY 25 adopted budget? How does that compare to the FY24 budget? Does the Agency anticipate a budget shortfall for FY 25, FY 26 or further out years?
2. What are your priorities, operational goals, and capital goals for FY25 and projected priorities, operational goals, and capital goals for FY26?
3. What, if any, programs are affected by the end of COVID relief funds?

#### II. Specific Program Funding

1. What programs within the Agency will see a significant increase or decrease in funding overall in FY 25 and anticipated FY 26? To what extent, if any, is the increase or decrease in funding related to non-recurring federal funding allocations?
2. Which programs will be new? eliminated entirely?
3. What are your benchmarks for new and existing programs and what are your benchmarks/key performance indicators for measuring success?

#### III. District-specific budget questions

We request that the Agency respond in writing, but have any further discussions on these items with the Community Boards outside of the consultation.

NYCEDC's capital structure is unique and quite different from other City agencies. Much of NYCEDC's budget is funded with capital dollars. A portion of the Department of Small Business Service's (SBS) Expense Budget goes to NYCEDC, funding non-capital related expenses, which are typically programs that NYCEDC executes on behalf of other agencies. However, these funds do not cover NYCEDC's operating expenses.

NYCEDC is a self-sustaining mission-driven non-profit organization that was created to drive and shape New York's economic growth. It uses City resources to create a bridge between City agencies, private businesses and local communities. In addition to the NYCEDC capital projects, NYCEDC is also manages capital projects for other agencies. Because of its unique structure, NYCEDC uses its revenue to make both fiscal contributions to the City and long-term strategic investments.

EDC's mission is to create a vibrant, inclusive and globally competitive economy for all New Yorkers. This mission guides all of our work and we deliver on this mission through four main strategies: strengthening confidence in NYC as a great place to do business; growing innovation industries focusing on equity; building neighborhoods as places to live, learn, work and play; and delivering sustainable infrastructure.

### **Manhattan Highlights:**

In Upper Manhattan, this past August, we announced the beginning of a new phase of archaeological work at the Harlem African Burial Ground, and we recently selected an Educational & Engagement partner who will support community education throughout the archaeological process. The project will also include 600 to 700 units of housing, job-creating commercial space, and additional community space.

In Inwood, we are in the midst of implementing our Inwood NYC Action plan which will deliver over \$200 million of public investments to the neighborhood, including the creation of 1,600 affordable homes and preserving and protecting an additional 2,500 affordable homes. Also in Inwood, we broke ground on The People's Theatre: Centro Cultural Immigrante, a 19,000 square foot performing arts and research center dedicated to the immigrant experience which will provide educational and artistic opportunities to support local artists who contribute not only to our economy, but to the identity of our city.

Moving downtown, in November, we joined the Mayor and Deputy Mayor Maria Torres-Springer to unveil the Science Park and Research Campus (SPARC) Kips Bay Master Plan – laying out the groundwork for creating a first-of-its-kind job and education center in the heart of New York City. This project will create an estimated 3,100 permanent jobs in the life sciences sector and nearly 12,000 construction jobs. We are proud of how ambitious this project is – construction on this ~5 acre site is expected to begin in 2025 and conclude in 2031.

Going to the West Side, Sunset Pier 94 Studios will be the borough's first film and TV studio, home to both state-of-the-art film and production technology as well as impressive amenities for all New Yorkers, including a community space, waterfront open space and pier access, and safety improvements to the bikeway. The project, which broke ground in

October, will create over 400 film and TV jobs and over 1,300 construction jobs, generating \$6.4 billion in economic impact over 30 years.

## AGENDA ITEM [1]: [Business Investment and Incentives for Diversity]

1. What programs are being applied by EDC to provide incentives for diverse business investments and entrepreneurship?

- What is the funding for these programs in FY25 and planned for FY26?

- **The New York City Industrial Development Agency (NYCIDA) offers several programs and tax incentives that can support small businesses that are expanding or relocating into New York City. Our programs primarily target companies in the industrial/manufacturing, supermarket/food retail, and renewable energy sectors. Companies must meet specific eligibility criteria, including a minimum capital investment of \$1 million, job creation with competitive wages, and compliance with other policies and regulations. See below for a description of the primary tax benefits that the NYCIDA can provide:**
  - **Land Tax Abatements:** Businesses can qualify for up to 100% land tax abatements for up to 25 years. This can significantly reduce the tax burden for small businesses, allowing them to allocate more resources to growth and development.
  - **Building Tax Stabilization:** NYCIDA offers the opportunity to stabilize building taxes at pre-improvement, taxable values for up to 25 years. This provides predictability and potential cost savings for businesses investing in property improvements.
  - **Sales Tax Exemptions:** Materials used to develop, renovate, or equip facilities may be exempt from sales tax. This can lead to substantial savings on capital investments for small businesses.
  - **Mortgage Recording Tax Waiver:** NYCIDA can waive the mortgage recording tax on the actual mortgage, reducing the costs associated with property acquisition or refinancing.
- **Additionally, the NYC Catalyst Fund (NYCCF) prioritizes investing in diverse fund managers and in fund managers that prioritize investing in diverse businesses and entrepreneurs.**
  - **To qualify for the program, fund manager must operate and qualify for at least one of the program's impact areas: diverse entrepreneurship, community development, or emerging sectors (high-growth sectors of the economy).**
  - **NYCEDC allocated \$40M to launch the program, which anticipates making 10 to 15 investments into fund managers ranging from \$1M - \$7M each.**
  - **So far, the NYCCF has executed two investments, leaving approximately ~\$30 million in funding available for FY25 and FY26, a significant portion of which is expected to be directed toward diverse fund managers or those prioritizing investments in diverse businesses.**

2. What benchmarks do you use to measure the success of these programs?

- NYCIDA projects are evaluated annually against a number of performance measurements that includes number of jobs created and retained, square footage of real estate that's been improved, and the amount of private capital leveraged. NYCIDA also tracks and monitors the performance of our projects to ensure that they are in compliance with all obligations and requirements.
- The NYCCF measures the success of its investments based on both financial returns and social impact. For financial returns, equity investments target a 12% net IRR, while debt investments aim for a 6% net return per annum.

- How well did these programs perform in FY24 according to those benchmarks?

- NYCIDA performance measurement results are still being tabulated for FY24, but overall, we had a strong year with high project volume. The NYCIDA Board of Directors awarded tax incentives to 25 projects across a diverse variety of important sectors.
- The NYCC program launched and made its first investments in FY24. As a result, it is still too early to assess the performance of the program and its investments. We did receive strong interest from the market, resulting in almost 100 responses to the Request for Applications (RFA) published.

**MEETING NOTES:**

**NEW INFORMATION:**

**FOLLOW-UP COMMITMENTS:**

**AGENDA ITEM [2]: [Blue Highways]**

[What is the budget for Blue Highways in FY25 and 26? What accomplishments are expected during these fiscal years@ that will be deployed in the coming years.

**AGENCY RESPONSE:**

NYCEDC was awarded \$5.1 million from USDOT's MARAD program to support the planning, design and build out of the Marine Highway at six sites in NYC, including the Downtown Manhattan Heliport, Stuyvesant Cove, and Pier 36 in Manhattan, Oak Point in the Bronx, and 23<sup>rd</sup> St Pier and the 29<sup>th</sup> St Apron in Brooklyn's Sunset Park.

**MEETING NOTES:**

**NEW INFORMATION:**

**FOLLOW-UP COMMITMENTS:**

## **AGENDA ITEM [3]: [Ferry Service]**

- [1. Are there any new routes and landings planned for FY25 and 26 and what capital infrastructure funding is required? Are there any Manhattan route extensions planned in FY 25 and 26?  
2. What is the EDC forecast in ridership and how does that effect the subsidy pe rider in FY 25? Last year EDC projected a 30% decrease in per rider subsidy by FY25 (~\$10.60 to ~\$7.50). Did it meet these goals? If not, why?

### **AGENCY RESPONSE:**

1. **At this time, there are no planned expansions for the NYC Ferry System**
2. **Subsidy per rider is a function of NYC Ferry’s operating expenses, revenues, and ridership. For example, if ridership growth is 7.5% instead of 4%, subsidy per rider could fall by about \$0.40 compared to a current projection. The \$7.50 per rider estimate for the end of FY25 assumed revenues from a system-name sponsorship, of which EDC is currently in the procurement process. Once the sponsorship procurement process concludes, NYCEDC will have a more defined estimate for the current subsidy. The price of fuel is also a highly variable expense, and can also contribute to changes in subsidy per rider. Our expected fuel price per gallon in FY25 is about \$1 more compared to FY23, equivalent to about 50 cents in extra subsidy per rider. On November 1 2024, we will have our updated FY 24 updated on our website; the following year will have the updated FY 25 finalized number.**

### **MEETING NOTES:**

#### **NEW INFORMATION:**

#### **FOLLOW-UP COMMITMENTS:**

## **AGENDA ITEM [4]: [Workforce Development]**

**[Please list all of your job training programs for FY24 with appropriate performance indicators and levels of funding. Include any changes in funding for FY25 and FY26 for these programs and any new programs being launched or eliminated. Which programs can CB’s connect with to expand their pools of job training resources**

- **In fiscal year 2024, NYCEDC deployed \$7.5M to 44 workforce development programs focused on high-growth innovation industries – Tech, Life Sciences, Green Economy**
- **These programs target the full spectrum of career awareness (exposure & education) to career preparation (hands-on skills training) to career development (upskilling & advancement), and are designed to create new pipelines for Disadvantaged Communities and underserved populations to connect to opportunities in these emerging sectors**

- In Tech, these include: the Blockchain Accelerator at CUNY, the CUNY Tech Internship, the CyberNYC Internship Program, and more
- In Life Sciences, these include: BioBus, the LifeSci Internship Program, Deerfield Fellows, Break into Biotech, Break into the Boardroom, the Women in Science Symposium, and more
- In Green Economy, these include: the annual OSW & Maritime Career Fair, the CUNY Bridge to OSW Program, Kingsborough Community College OSW Program, PropTech Piloting Fellowship, 8 new OSW programs with the Equinor Ecosystem Fund, and 10 new OSW programs with our CUNY Central Partnership, and more
- NYCEDC’s Women.NYC initiative also operates a number of programs specifically designed to support women from diverse backgrounds who are pursuing careers in these sectors: the Network Power Circles program, the Network Digital Office Hours program, the Network Insider’s Look program, and a new Pivot to Growth program
- NYCEDC has also recently delivered or is currently developing 4+ major workforce training centers across the city; these include Civic Hall, SPARC Kips Bay, the Climate Innovation Hub in Sunset Park, and a new workforce hub near the Food Distribution Center in Hunts Point
- NYCEDC is continuing to invest in its portfolio of workforce development resources and a range of new programs are currently under development and slated to launch during fiscal year 2025

**MEETING NOTES:**

**NEW INFORMATION:**

**FOLLOW-UP COMMITMENTS:**

**AGENDA ITEM [5]: [Waterfront Capital Improvement & Repairs]**

What is the planned capital outlay for East Side waterfront repairs and improvements in FY25? What is the status of procurement for those funds? Please be specific as to which Community District those funds are targeted to be spent.

2. What is projected to be spent in FY 26? Please be specific as to which Community District those funds are targeted to be spent.

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**Lower Manhattan- Brooklyn Bridge Esplanade (801 BKBRESP) - CB1**  
**Phase 3 Under Construction**  
**FY25: \$8.164M**  
**FY26: \$6.624M**

**Midtown**

**EMG/AHG (801 MANHGREEN/801AHGREEN) - CB6/8**  
**Main Phase Complete / Pile Wrap Phase Under Construction**  
**FY25: \$5.339M**  
**FY26: \$498K**

**UN Esplanade (801 HBGRWESPN) - CB6**  
**Procuring Construction Manager**  
**FY25: \$5.151M**  
**FY26: \$136.073M**

**Harlem: 107<sup>th</sup>/BWW (801 P-3ERE22J) - CB11**

**Construction Manager Recently Procured**  
**FY25: \$20.000M**  
**FY26: \$237.169M**

**Harlem River Greenway ( 801 P-3HRP132/ 801 NDF-3HRGL) - CB10, CB11, CB12**  
**Procuring Construction Trades**  
**FY25: \$93.001M**  
**FY26: \$100.007M**

**Inwood: (801 NDF-NWOOD)**  
**Academy Street and North Cove – CB12**  
**Procuring Construction Manager**

**FY25: \$7.157M**  
**FY26: \$3.000M**

**Inwood Esplanade (801 INWDGRWAY) - CB12**  
**Procuring Design Team**  
**FY25: \$20.000M**  
**FY26: \$7.000M**

**MEETING NOTES:**

**NEW INFORMATION:**

**FOLLOW-UP COMMITMENTS:**

**AGENDA ITEM [6]: [Cannabis]**

Describe EDC’s work in helping to launch cannabis businesses. How many businesses has EDC helped launch and what is expected for FY 25 & 26. How much funding has been spent to date on this work and what is budgeted for FY25 and 26?

EDC is in the process of launching the Cannabis NYC Loan Fund in partnership with the NYC Department of Small Business Services and Cannabis NYC. The Cannabis NYC Loan Fund will offer affordable and flexible capital to licensed early-stage cannabis businesses across the five boroughs to promote the development of an equitable cannabis industry in NYC. The fund will prioritize diverse-owned cannabis businesses by focusing on Conditional Adult-Use Retail Dispensary (CAURD).

To launch the fund, EDC received \$9.4 million of City Tax Levy from OMB, allocated to cover a portion of the fund administrator fee (\$1.4 million) and loan capital (\$8 million). The fund will launch in two phases. Phase I will be a \$2 million tranche exclusively serving CAURD licensees. Phase II will utilize the remaining \$6 million of loan capital to fundraise and leverage additional private capital. This effort will be led by the fund’s procured fund administrator, Tuatara Capital. Phase II will be open to non-CAURD certified businesses, but will prioritize CAURD in its scoring process.

We anticipate launching Phase I of the fund in the fall of 2024. Therefore, we have not yet helped launch any cannabis businesses, but expect to assist around 40 small businesses after launch. The total number of businesses that Phase II will support is still to be determined, as it depends on the final fund size and fundraising efforts. No funding has been spent to date, and the full \$9.4 million is budgeted for FY25 and FY26.

**MEETING NOTES:**

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

**AGENDA ITEM [7]: [Economy]**

[What are the City’s biggest headwinds for economic development in FY25 and FY 26. What programs or initiatives are best positioned to address these headwinds.

**AGENCY RESPONSE:**

Despite challenging economic headwinds, the city currently has more than 4.7 million jobs, exceeding pre-pandemic highs. We’re thrilled at the record number of jobs – the highest in the city’s history – and that we were able to recoup the number of jobs lost during the pandemic. The city has also seen phenomenal growth in new, especially small, business creation. Approximately 28,000 new businesses started in 2023, or 1 in 7 businesses in New



**York City, with 64% being in the outer boroughs; the unemployment rate dropped to nearly half of its COVID-peak; and workers have continued to return to the office with one of the highest metro area return to office rates in the country.**

**2023 was a particularly momentous year for EDC. We supported 6,031 companies through our projects, programs and initiatives, leading to over \$903 million dollars of private investment committed across our work. Our own projects led to the creation of 6,078 construction jobs, transforming 1.4 million square feet of assets and our ferry system welcomed a record 6.6 million riders. This work was guided by the 455 formal community engagement events we held in 2023.**

**Last year we advanced many critical projects and laid the groundwork for transformative investments on a neighborhood scale—from Kingsbridge in the Bronx to Willets Point in Queens, East New York in Brooklyn, Kips Bay in Manhattan, and across the North Shore of Staten Island. All of these projects will lead to significant positive economic impact for New York City over the coming years and decades, bringing jobs, new businesses, and industry opportunities to neighborhoods and communities long in need of public and private investment.**

**We also saw New York City further cement itself as a leader in innovation industries that will continue to keep NYC an economic powerhouse. EDC has a dynamic range of programs to support the Life Sciences, the Green Economy, and Technology, industries that are not only important for their innovation, but also for job creation and economic impact for New Yorkers across all five boroughs and the educational spectrum.**

**While we celebrate the recent economic milestones for the city, EDC is also focused on addressing the significant economic challenges our communities continue to face. While the unemployment rate has decreased over the past year, and more New Yorkers are participating in the labor market, we know that not all of our community members have shared equally in these gains. The unemployment rates for Black and Latino New Yorkers remain higher than that of white New Yorkers; prices remain elevated despite inflation rates receding; we are tackling a once-in-a-generation asylum seeker crisis; and last, but not least, we have a housing shortage which can be argued is our greatest threat to our future economy and which continues to burden nearly every New Yorker, especially the renters earning less than \$70,000 a year, who typically spend 54% of their income on rent.**

**We remain focused on combatting these issues through our projects which span all five boroughs and through our many innovative programs which are focused on eliminating disparities and connecting individuals who need it most to education, resources, and capital to build wealth, obtain high-quality jobs, and otherwise be included in New York City's strong economy. We also continue our commitment to supporting M/W/DBE firms by advocating for the expansion and streamlining of the program as well as through EDC initiatives such as ConstructNYC and the Offshore Wind Waterfront Pathways Program which are designed to assist M/W/DBE firms in navigating current and upcoming opportunities to work on EDC projects.**

**MEETING NOTES:**

**NEW INFORMATION:**

**FOLLOW-UP COMMITMENTS:**

**AGENDA ITEM [8]: Recommended Priorities for Community Board Advocacy**

What programs, initiatives or budget line items would EDC recommend that Community Boards include in their Statements of District Needs and Budget Priorities for FY 2026?

**We encourage Community Boards to continue to advocate for projects & programs that support the economic growth of the City. EDC is happy to speak with individual CBs about board-specific projects.**

**AGENCY RESPONSE:**

**MEETING NOTES:**

**NEW INFORMATION:**

**FOLLOW-UP COMMITMENTS:**