

FY 2024 Borough Budget Consultations

Manhattan – Economic Development Corporation

Meeting Date:

AGENDA ITEM [1]: General Agency Funding Discussion:

I. As Agencies continue to recover from the COVID 19 period to provide full services and relief funds from the Federal Government to states and municipalities begins to wind down:

1. What changes in federal funding have been instituted for FY 23? Will those changes continue into FY 24? What portion or percentage of the FY 22 and FY 23 budgets consisted of non-recurring federal funding?
2. What, if any, programs are affected by a change (decrease or increase) or end of COVID relief funds for FY 23?
3. What is the overall budget increase or decrease for FY 23 adopted budget compared to FY22 budget? Does the Agency anticipate a budget shortfall for FY 23, FY 24 or further out years after the non-recurring federal funding has been exhausted?
4. How will funding allocations be adjusted for impacts of inflation for fy 23 and what is planned for fy24?

II. Then, the agenda continues with Community Boards asking about program funding.

1. What programs will see a significant increase or decrease in funding overall? 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 or eliminated entirely?
3. What are your benchmarks for new and existing programs and what are your benchmarks/key performance indicators for measuring success?
4. What are your priorities, operational goals, and capital goals for FY23 and projected priorities, operational goals, and capital goals for FY24?

III. Lastly, the agendas include Boards' requests on 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.

AGENCY RESPONSE:

NYCEDC's budget was significantly impacted by the COVID-19 pandemic. Much of our work was paused due to OMB funding constraints, operations pivoted toward supporting the City's overall response effort and we had to work closely with tenants on rental relief. Due to the

financial impact of COVID-19, some EDC tenants have been unable to fully meet their rent obligations and have continued to work with partners to be as flexible as possible given the current climate.

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. The FY23 Executive Capital Plan for Fiscal 2022-2026 includes 136 Council capital projects with a total value of \$89.4 million. Because of its unique structure, NYCEDC uses its revenue to make both fiscal contributions to the City and long-term strategic investments.

Now that NYC recovery is ongoing, we have been focused on getting the city back to work and continuing to support our tenants. Working with OMB, our goal is to keep extremely close track of the City's financial situation and adjust our approach as more information becomes available. All EDC capital projects were paused in April 2020 due to COVID-19 in order to prioritize pandemic response activity and public health/safety. By early 2021, most projects had resumed. Our understanding is that there have not been "decreases" and several initiatives like city-wide Cleanup Corps initiative have been funded.

AGENDA ITEM [2]: Affordable Housing

1. What funds were allocated in FY22 for potential affordable housing projects on City-owned land as part of the Housing New York Plan? What role does EDC look to play in the planning or funding of affordable housing in FY 2023 or FY 2024?

Please contact HPD regarding Housing New York and funding for affordable housing, as affordable housing projects led by the City are funded through HPD and HDC subsidies. EDC's role in the development of affordable housing is typically in the site selection and procurement phase of a project. In collaboration with HPD, EDC will publish an RFP or RFEI and manage the real estate transactions that lead to the successful development of a site.

2. What amount of this funding does EDC anticipate will be used for sites in Manhattan?

Please contact HPD.

3. Will there be funding available for community engagement related to these projects in FY23?

EDC and its various departments conduct community engagement strategies in advance of and in support of RFP's as they become available.

4. Please provide a list of projects by community district.

EDC does have projects that include affordable housing components, these include:

- a. Essex Crossing in Manhattan - Community District 3
- b. 495 11th Avenue in Manhattan - Community District 4
- c. Bronx Point - Community Board 8
- d. One East Harlem - Community Board 11

5. What are the projected levels of funding in FY24?

Please contact HPD.

6. Are capital subsidies available for the development of affordable housing? Can the subsidies be broken down by borough? If so, please list the amount of available subsidy by borough.

Please contact HPD.

AGENDA ITEM [3]: Business Investment and Incentives for Diversity

1. What is the current budget for the NYC Food and Beverage and Manufacturers Growth Fund in FY23?

- a. What is the forecasted budget for FY24?

The NYC Food and Beverage Manufacturers Growth Fund has been discontinued for several years.

2. What is the current budget for the Futureworks NYC in FY23? What is the forecasted budget for FY24?

Futureworks NYC was a key initiative of Mayor de Blasio's Industrial Action Plan to modernize the City's industrial sector, first announced in November 2015. It is an \$8M NYCIDA-funded suite of partnerships, services, and spaces dedicated to increasing local production and supporting advanced manufacturing. This program is currently not being operating in the Borough of Manhattan.

- a. Is this program's funding based solely on private monies?

The Futureworks NYC program was funded by IDA.

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

- a. What is the funding for these programs in FY23 and planned for FY24?

EDC manages a number of programs that provide incentives for businesses. For example, EDC manages the City's Industrial Development Agency (IDA), which supports business growth, relocation, and expansion across the five boroughs by lowering the cost of capital investment through as-of-right benefits and discretionary tax incentives (e.g., ICAP, property tax, sales tax, mortgage recording tax). EDC also administers the City's FRESH program, which seeks to increase access to healthy, quality foods in underserved neighborhoods by providing tax and real estate incentives to supermarket operators and property owners. In addition, EDC administers the City's Accelerated Sales Tax Exemption Program (ASTEP), which helps support companies that typically cannot access NYCIDA or FRESH benefits with sales tax exemptions. For a full list of our business programs, please visit <https://edc.nyc/business-programs>.

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

- a. How well did these programs perform in FY22 according to those benchmarks?

Generally, EDC-managed business incentive programs aim to maximize jobs created per incentive amount given. These vary by program and by project. Please advise you have questions on any particular program that occurs in the Borough of Manhattan.

AGENDA ITEM [4]: Incubators and Workspaces

1. What budgetary increases or decreases were made by the EDC between FY22 and FY23 for the development of Incubators and Workspaces in Manhattan? What is the budget forecast for FY24?

Due to the impact of COVID-19 on City and EDC finances, we are still evaluating the shifting trends in how and where people are working, and whether spending new operating and programmatic funds is possible for this fiscal year or beyond. Please contact EDC for further information on the status of any particular project or program.

2. What benchmarks do you use to measure success?

Each project has unique benchmarks depending on the scope of the contract and the policy objectives we aim to achieve through each program. Generally, we measure success based on

participation by individuals and companies, and the diversity of those participants.

3. What data have you collected regarding job growth as a result of EDC's investment in workspaces and incubators?

- a. Please list how many jobs have been created within the range of income brackets.
- b. How many firms that have exited the incubator or workspace programs stay in New York City with a long-term commercial lease?

Please contact EDC with questions about particular programs or projects for more detailed information on job creation metrics. EDC does not track the location of incubator participants once they leave City-owned spaces.

4. Will EDC pursue an incubation strategy that confronts the challenges of social distancing in office environments?

EDC remains committed to economic development citywide and in Manhattan, and that necessitates being conscious of the current public health climate. We continue to monitor the appropriate policy responses to COVID-19 as it pertains to commercial office occupancy, and are optimistic that ongoing public health precautions and the availability of vaccines will help businesses get back to work.

AGENDA ITEM [5]: EDC Transportation Systems

1. How much funding has the EDC removed from the operating budget of the Citywide Ferry System from FY22 to FY23?

Funding was not removed from the NYC Ferry operating budget for FY23. NYC Ferry's FY23 operating budget remains lower than it was pre-Covid.

2. How many routes and landings are planned and what capital infrastructure funding is required in FY23 for additional routes? Are there any Manhattan route extensions planned in FY 23 or FY24?

No new routes and extensions are planned at this time. NYC Ferry continues to analyze ridership trends and will evolve service hours and frequency to adapt to ridership needs.

3. With the City of New York exercising the option to purchase the ferry watercraft from Hornblower, is EDC able to lease the craft to private ferry operators if there is a sustained service reduction in FY 23 and FY24?

All city-owned NYC Ferry vessels are leased to the NYC Ferry Operator through the end of the NYC Ferry Operating Agreement and thus are unavailable for use by other operators.

As stated in the NYC Ferry Forward vision plan introduced by Mayor Adams, NYC Ferry will soon release a public procurement for a new ferry operations contract. In this new contract, NYCEDC will look for ways to maximize revenue to the system, and thus reduce public subsidy.

4. What are the performance indicators that EDC tracks for the Citywide Ferry program?
- a. How does the EDC measure the effectiveness of the Citywide Ferry System when comparing the per rider subsidy with the Fair Fares program, which was reduced in the FY 21 Budget?

Once the NYC Ferry Discount Program is rolled out on September 12, 2022, NYCEDC will track user sign-ups. In order to spread the word about the program, the operator will launch an informational campaign. We will also send out mailers to every NYCHA residence within one-mile of an NYC Ferry landing. Once the program has been in operation and eligible users are purchasing tickets, we will monitor use. We estimate that the increase in revenue coming from a higher base fare will help to at least cover the cost of increased discounts.

- b. Does EDC forecast a sustained drop in ridership and an increase in the effective subsidy per rider in FY24?

The \$4 fare is based on ridership demand modeling, evidence from East River Ferry fare changes, and rider surveys. All this helped us determine how we could maximize fare revenues to the system without losing significant ridership. We will monitor these changes closely to make sure that NYC Ferry remains accessible and well-used by New Yorkers.

- c. Has the EDC budgeted any programs or initiatives to drive down the subsidized rider cost given the projected drop?

In addition to introducing a dynamic pricing system and pilots that seek to generate revenue for the system, the upcoming procurement cycle will welcome additional revenue generating opportunities. Until the RFP is made public later this year, we cannot disclose what those elements will be.

5. Does EDC plan to eventually replace passenger ferry service to Governors Island with Citywide Ferry Routes and if so, is that projected to be a net improvement to farebox recovery?

NYC Ferry added Governors Island to the South Brooklyn route in January of 2022. Visitors to the island can now take the Governors Island provided ferry from Lower Manhattan or NYC Ferry from Brooklyn or Lower Manhattan. Overall, adding Governors Island to the South Brooklyn route has improved ridership on that route.

6. Are there any other non-Citywide Ferry transportation initiatives (such as gondolas, circulators, fixed transitway, and/or micromobility projects) that are budgeted to be studied or implemented in FY23 or projected for FY24?

As demonstrated by the Ferry Forward Plan, NYC Ferry is focused on ensuring the NYC Ferry system is equitable and financially sustainable. While we are exploring revenue generating

mechanisms through the RFP, set to release later this year, we are not adding additional transit services beyond our current routes.

AGENDA ITEM [6]: Training and Learning for Low Income New Yorkers

1. What budgetary changes were made between FY22 and FY23 for the Food Retail Expansion to Support Health (**FRESH**) program, ConstructNYC, and HireNYC? Has the EDC seen any need to eliminate, reduce, or expand any existing programs?

HireNYC is primarily implemented through contracting language and remains in effect for applicable projects. During the COVID-19 emergency, the ConstructNYC budget was reduced, maintaining the technical assistance component of the program but pausing further training or recruitment cycles. ConstructNYC has now been recapitalized in FY23 and is moving forward with recruitment for a new cohort of M/WBE firms.

2. What indicators do you use to evaluate year over year performance?

NYCEDC primarily tracks jobs created on a full-time equivalent (FTE) basis for these programs. For the FRESH program we look at the number of supermarkets in the pipeline, number of supermarket projects induced and authorized, amount of supermarket square footage created, and the number of jobs created/retained. Our ultimate goal is to increase the number of jobs created and catalyze private investment. For HireNYC, we look to see that candidates screened through this process are hired, retained and promoted over time. We seek to have a participant company hire 50% of permanent jobs, retain 40% of those employees within 9 months, advance 30% within 1 year of hire date and provide skills-training opportunities to members of the target population for their projects. More can be found here: https://edc.nyc/sites/default/files/filemanager/HireNYC/HireNYC_FAQ_General.pdf

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

In the past, NYCEDC has supported programs such as Manage Forward and Next Level Bronx, programs that help small M/W/DBE owners the tools, training, and networks to turn growth plans into action. These programs were carried out and funded through public-private-partnerships with partners such as Citi Community Development, Enterprise Community Partners and Santander Bank, for example. For a comprehensive list of existing programs please visit <https://edc.nyc/business-programs>. For programs that are targeting individuals, we encourage Community Boards to discuss training opportunities at the individual level with SBS, as they have a robust network of Workforce1 centers to provide that service.

AGENDA ITEM [7]: Graffiti Removal

1. What is the budgetary status for Graffiti-free NYC?

Please note that the GraffitiFreeNYC program has been renamed **CleaNYC**. The program received funding for FY23; the FY23 budget is \$6.5M.

2. Please describe the process and the funding for the program in FY23 and FY24.

The CleaNYC program resumed in June 2021 following a program pause due to the COVID-19 fiscal situation. Anyone can report graffiti on any property in NYC by calling 311 or submitting a claim online and the City will mail a notice to the property owner on file. We encourage members of the public to submit requests through 311, and welcome Community Boards who would like to raise priority requests to their primary Government & Community Relations contact at EDC (for Upper Manhattan, Fernando Ortiz, fortiz@edc.nyc ; for Midtown and Lower Manhattan, Diana Switaj, dswitaj@edc.nyc). Additionally, the CleaNYC team is working in close partnership with City Hall to participate in their weekly high intensity cleaning SWARM events in neighborhoods across all five boroughs.

AGENDA ITEM [8]: Recommended Priorities for CB Support

1. What budget priorities would EDC want community boards to support?

EDC is focused on an equitable recovery from COVID-19 and the associated economic hurdles. During this rapidly changing time, we would appreciate feedback from the Community Boards on specific conditions that we can address that would make reopening less challenging. We would also appreciate as well as specific suggestions you might have on strategies for small business and community support that could potentially fall under EDC's jurisdiction.

AGENDA ITEM [9]: Non-Tax-Levied Funds

1. What is EDC's forecast for revenue generated from the leasing and management of New York City-owned infrastructure that includes, but is not limited to docks and heliports?

EDC receives most of its operating revenues from rents generated from leasing and management of City-owned property across the City. Due to the financial impact of COVID-19, some EDC tenants have been unable to fully meet their rent obligations, and we have worked with them to be as flexible as possible given the current climate. That said, EDC has made conservative projections as we emerge from the pandemic.

2. Which programs will see their funding reduced or eliminated in advance of what are likely to be depressed revenues?

Numerous projects were placed on hold during the onset of Covid due to a combination of factors including reduced EDC revenues as well as overall City fiscal challenges. This included high-priority capital projects like Lower Manhattan Coastal Resilience and East Midtown Greenway (both of which are now proceeding), as well as operating programs like CleanNYC (which has also been fully restarted). As noted earlier, EDC pivoted to immediate crisis response in the wake of the COVID-19 epidemic, including reallocating staff to support those efforts. As the City continues to emerge from the acute health crisis, our attention is now turning to supporting the economic recovery.

3. What additional steps will EDC take to expand upon the revenue-producing potential of assets under its jurisdiction?

EDC is currently undertaking a thought exercise to determine what possibilities exist to produce additional revenue at its assets that are consistent with city policy, asset category and other factors.

4. What assets may be moved under the jurisdiction of EDC to better take advantage of its flexibility and relative freedom from the City of New York's regulations and laws that apply to agencies, but not public benefit corporations?

We always welcome suggestions from the Community Boards for ways in which we can have City assets create value to the city and the community. If you have specific recommendations, please share.

5. Given EDC's greater need to collect non tax-levied funds, will there be a reduced appetite to enforce strict discipline on tour boats that use third-party ticket sales (ticket hawkers) for cruises around liberty island?

EDC encourages Community Boards to reach out directly for information on district-specific issues.

AGENDA ITEM [10]: Waterfront Capital Improvements and Repairs

1. What is the planned capital outlay for East Side waterfront repairs and improvements in FY23? 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 24? Please be specific as to which Community District those funds are targeted to be spent.

(See attached map for East side waterfront projects)

Lower Manhattan- Brooklyn Bridge Esplanade (Community Board 1)

-Construction of get-down and bulkhead to commence this fall/winter

FY23: \$12M

FY24: \$0M

Midtown (Community Board 6, 8)

East Midtown Greenway/Andrew Haswell Green

- Construction to continue and complete in calendar 23

FY23: \$42.9M

FY24: \$0M

UN Esplanade (Community Board 6)

-Expected to begin design next year

FY23: \$15.000M

FY24: \$0M

107th/BWW (Community Board 11)

-Design to start and continue through calendar 24

FY23: \$29.5M

FY24: \$0

Harlem River Greenway (125-132 and then 145 up to Inwood) (Community Board 10, 11, 12)

-At 90% design

FY23: \$154.079M

FY24: \$0.847M

Academy Street and North Cove (Community Board 12)

-In design

FY23: \$4.149M

FY24: \$0M

Inwood Esplanade (Community Board 12)

-In Predesign

FY23: \$5.458M

FY24: \$12M

AGENDA ITEM [11]: Public Restrooms

1. Has EDC budgeted funds in FY23 towards the study of implementing public restrooms in public and private land outside of DPR jurisdiction?

The potential for public bathrooms are considered on a project-by-project basis due to jurisdiction, infrastructure/utilities, design, and management/upkeep considerations.

2. Does EDC plan on budgeting funds for studying this issue in FY24?

The potential for public bathrooms are considered on a project-by-project basis due to jurisdiction, infrastructure/utilities, design, and management/upkeep considerations.