



NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

Seth W. Pinsky, President

Key Public Service Areas

- ✓ Promote economic programs and incentives to improve the City's economy.

Scope of Agency Operations

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. NYCEDC catalyzes physical transformation across the five boroughs, investing in major infrastructure upgrades, capital projects, and area-wide development. NYCEDC manages City-owned properties, and improves the distribution of goods within and outside the five boroughs by reactivating the City's rail freight lines, food markets, and maritime and aviation facilities. Through New York City Industrial Development Agency (NYCIDA), New York City Capital Resource Corporation (NYCCRC) 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, creating and retaining 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. NYCEDC has launched over 80 initiatives supporting entrepreneurship across all industries, helping legacy industries like media and manufacturing transition to 21st century business models, and capturing a leadership role for the City in emerging sectors like bioscience and technology.

Critical Objectives

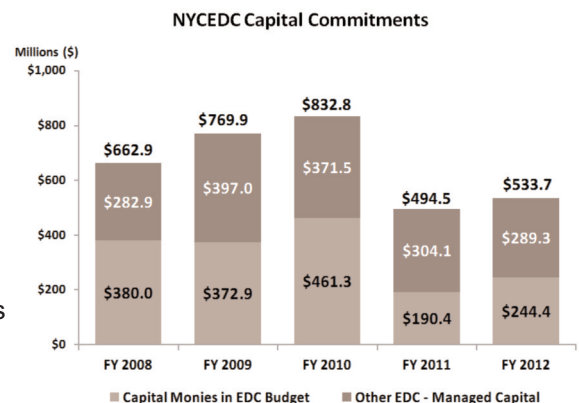
- Attract and retain businesses to produce jobs in the City.
- Encourage investments by City-based businesses and corporations.

Performance Report

✓ Promote economic programs and incentives to improve the City's economy.

- During Fiscal 2012 the New York City Industrial Development Agency (NYCIDA) closed 12 projects, which are expected to generate \$304.9 million in City tax revenue and 2,531 jobs over the course of their respective terms. Four of these projects were new or expanded supermarket projects, which sought financial assistance through the City's Food Retail Expansion to Support Health program, also known as FRESH. The FRESH program aims to increase access to fresh and nutritious food in underserved communities throughout the five boroughs by providing incentives for the establishment and retention of neighborhood supermarkets.
- The New York City Capital Resource Corporation (NYCCRC) registered no closings during the reporting period.
- NYCEDC established Build NYC Resource Corporation (Build NYC) in November 2011 to provide access to financing for not-for-profit organizations across the five boroughs. Build NYC will fill the gap created in January 2008 when the State legislature did not renew NYCIDA's authority to issue tax-exempt financing on behalf of not-for-profits. During Fiscal 2012 Build NYC closed four projects, including the bond issuance to refinance the old debt of the YMCA of Greater New York. In total, Build NYC projects are expected to generate \$75.7 million in City tax revenue and employ 1,475 people over the course of their respective terms.

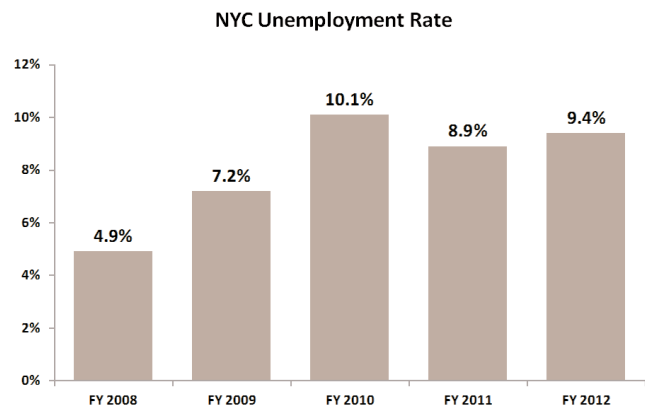
- During the period from July 2011 to the end of June 2012, NYCEDC committed nearly \$105 million in capital funding for projects it manages on behalf of other City agencies. These commitments leveraged more than \$561 million in additional private investment. A



noteworthy project from this period includes the \$45 million agreement with Seaview North Senior Housing for the construction of a new senior housing facility on Staten Island, which leveraged over \$18 million in private investment. Other significant projects include the \$25 million agreement to fund construction of the new home for the Whitney Museum and the expansion of SUNY Downstate Biotech Incubator, where the City invested over \$12 million.

- Capital expenditures during Fiscal 2012 exceeded \$411 million. Construction was completed on portions of the lower East River Waterfront, including Pier 15, and several East River Ferry landing locations. Work also commenced on the new Goldwater North Hospital in Harlem, and a new location for the Shakespearian theater company known as the Theatre for a New Audience in the BAM Cultural District in Brooklyn.
- New private investment from real estate sales and lease transactions increased dramatically to \$918.3 million, the first increase since Fiscal 2008, and estimated job creation more than tripled from a year ago to 4,645. These increases signal a positive turn in the City’s overall economy. Fiscal 2012 highlights include:
 - In May 2012 NYCEDC sold an approximately 47,000 square foot retail condominium unit located in the Brooklyn Municipal Building for \$10 million to 210 Muni, LLC. The project will bring a new mix of retail and restaurant tenants to downtown Brooklyn and will generate approximately 64 construction jobs and 136 permanent jobs.
 - In June 2012 NYCEDC sold the former Taystee Bakery site in Harlem to Taystee Create, LLC. The project will revitalize and physically transform an underutilized space while preserving most of the façades of the original building. The development, known as Create @ Harlem Green, will provide 330,000 square feet of commercial, manufacturing and community space, and will generate approximately 510 construction jobs and 440 permanent jobs.
 - NYCEDC executed 400,000 square feet of new leases at the Brooklyn Army Terminal (BAT) in Fiscal 2012, resulting in \$2 million in new revenue and 250 new jobs. In addition, the BAT subdivision project was completed in Spring 2012, which is a reconfiguration of 40,000 square feet of space into eight smaller units which are now all rented. On July 1, 2011 NYCEDC took over from the Empire State Development Corporation the administration of 15 ground leases related to the 42nd Street redevelopment project and finalized the reversion of properties underlying seven of these leases. The project consists of six office buildings, nine theatres, two hotels, and entertainment retail on 13 acres of land. This portfolio will generate approximately \$32 million per year in revenue for New York City.

- The unemployment rate in Fiscal 2012 rose to 9.4 percent, up from 8.9 percent in Fiscal 2011. According to the U.S. Bureau of Labor Statistics, the City made steady employment gains in Fiscal 2012, with 73,900 private sector jobs created (+2.3%), outpacing the national rate (+1.9%).



Source: U. S. Bureau of Labor Statistics

Performance Statistics	Actual					Target		5-Yr. Trend
	FY08	FY09	FY10	FY11	FY12	FY12	FY13	
New York City Industrial Development Agency projects - Contracts closed	43	10	7	7	12	*	*	Downward
★ - Projected jobs committed in connection with closed contracts	8,564	410	231	1,443	2,531	*	*	Downward
★ - Total City tax revenues generated in connection with closed contracts (\$ millions)	\$402.5	\$64.7	\$30.5	\$230.5	\$304.9	*	*	Neutral
Build NYC Resource Corporation - Contracts closed	NA	NA	NA	NA	4	*	*	NA
- Projected jobs committed in connection with closed contracts	NA	NA	NA	NA	1,475	*	*	NA

★ Critical Indicator "NA" - means Not Available in this report

Performance Statistics	Actual					Target		5-Yr. Trend
	FY08	FY09	FY10	FY11	FY12	FY12	FY13	
- Total City tax revenues generated in connection with closed contracts (\$ millions)	NA	NA	NA	NA	\$75.7	*	*	NA
New York City Capital Resource Corporation projects - Contracts closed	NA	NA	NA	4	0	*	*	NA
- Projected jobs committed in connection with closed contracts	NA	NA	NA	639	0	*	*	NA
- Total City tax revenues generated in connection with closed contracts (\$ millions)	NA	NA	NA	\$40.0	\$0.0	*	*	NA
Total value of City funding agreements between NYCEDC and third-party entities (\$ millions)	\$315.3	\$225.6	\$246.4	\$71.1	\$104.8	*	*	Downward
Third-party investment leveraged as a result of funding agreements (\$ millions)	\$4,022.1	\$374.9	\$5,133.4	\$376.8	\$561.3	*	*	Downward
Occupancy rate of NYCEDC-managed property	93.6%	91.8%	91.7%	91.7%	95.0%	*	*	Neutral
Total capital expenditures (\$ millions)	\$546	\$499	\$575	\$454	\$411	*	*	Downward
★ New private investment related to sale/long-term lease of City-owned property (\$ millions)	\$1,033.3	\$324.2	\$98.0	\$63.0	\$918.3	*	*	Downward
★ Projected jobs created or retained in connection with the sale/long-term lease of City-owned property - Permanent jobs	958	77	1,471	797	2,282	*	*	Upward
★ - Construction jobs	1,353	1,436	531	535	2,363	*	*	Upward
★ New York City unemployment rate (%)	4.9%	7.2%	10.1%	8.9%	9.4%	*	*	Upward
Visitors to New York City (millions) (calendar year)	46.0	47.1	45.6	48.7	50.9	*	*	Upward

★ Critical Indicator "NA" - means Not Available in this report

Agency Resources

Resource Statistics	Actual					Plan ¹		5-Yr. Trend
	FY08	FY09	FY10	FY11	FY12	FY12	FY13	
Personnel	450	445	404	403	400	430	424	Downward
Capital commitments (\$ millions) ²	\$380.0	\$372.9	\$461.3	\$190.4	\$244.4	\$268.5	\$419.3	Downward

¹ Authorized Budget Level

"NA" - Not Available in this report

² To view the FY 2013 September Capital Commitment Plan upon its release, see www.nyc.gov/omb.

Noteworthy Changes, Additions or Deletions

- Beginning with the Fiscal 2013 Preliminary Mayor's Management Report, the MMR will be restructured to focus on the goals that the agency intends to achieve during the fiscal year. Each goal will be accompanied by a performance measure or measures that will quantify the agency's progress toward achieving that goal. For Fiscal 2013 NYCEDC's services and goals are:

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 City assets.

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 the City's economy.

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

- NYCEDC added three metrics on Build NYC Resource Corporation (Build NYC), a local development corporation administered by NYCEDC which assists qualified not-for-profit institutions and other entities in obtaining tax-exempt and taxable bond financing.

For more information please visit the website at: www.nyc.gov/edc