

# THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito  
Speaker of the Council

Hon. Daniel R. Garodnick  
Chair, Committee on Economic Development



## Report on the Mayor's 2017 Preliminary Budget and the Fiscal 2016 Preliminary Mayor's Management Report

### Economic Development Corporation

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**Table of Contents**

Economic Development Corporation Overview .....1

Capital Program .....1

Preliminary Capital Plan Highlights.....2

Revenue .....9

Fiscal 2017 Preliminary Budget Highlights .....9

Fiscal 2016 Preliminary Mayor’s Management Report Highlights .....10

Appendix A: Budget Actions in the November and the Preliminary Plans.....12

Appendix B: Fiscal 2016 PMMR Performance Measures .....14

## Economic Development Corporation Overview

New York City's economic development programs are largely initiated and managed by two agencies: the Department of Small Business Services (SBS) and the Economic Development Corporation (EDC or NYCEDC). SBS provides direct technical assistance and services to businesses within the City, encourages participation in the procurement process, administers neighborhood commercial and industrial development, and manages business improvement district programs.

NYCEDC is charged with leveraging the City's assets to drive growth, create jobs, and improve quality of life. According to the organization, this is done in a handful of ways. NYCEDC works with the private and public sectors on economic development initiatives that revitalize businesses, create jobs, and generate revenues for the City. In addition to corporate attraction and retention efforts, EDC markets, sells, and leases City-owned commercial and industrial properties; plans and prepares sites for development through infrastructure improvement; carries out capital improvements in neighborhood shopping districts and public spaces; and provides technical assistance to guide projects through the necessary public approval process. NYCEDC is also involved in property management and development of the City's marine terminals, wholesale and retail markets, heliports, rail yards, and industrial parks. Much of EDC's budget is funded with capital dollars and therefore the majority of this report will focus on the capital budget. Additionally, a large portion of SBS' Expense Budget goes to EDC, funding non-capital related expenses, which are typically programs that EDC executes on behalf of other agencies. It should be noted, however, that these funds do not cover EDC's operating expenses.

This report provides a review of NYCEDC's Preliminary Budget for Fiscal 2017. The first section presents significant highlights of the \$2.5 billion Capital Plan for Fiscal 2016-2019. The report then presents NYCEDC's revenue sources. Finally, the report presents a handful of key Budget Actions from the November and Preliminary Plans, as well as highlights from the Fiscal 2016 Preliminary Mayor's Management Report (PMMR). Two appendices are included to show all of the Budget Actions in the November and Preliminary Plans as well as the Fiscal 2016 PMMR.

## Capital Program

The Fiscal 2017 Preliminary Capital Commitment Plan includes nearly \$2.5 billion in Fiscal 2016-2019 for the Economic Development Corporation (including City and Non-City funds). This represents approximately 4.3 percent of the City's total \$57.2 billion Preliminary Plan for Fiscal 2016-2019. The agency's Preliminary Commitment Plan for Fiscal 2016-2019 is one percent more than the \$2.4 billion scheduled in the Adopted Commitment Plan, an increase of \$34 million.

The majority of the capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. However, this also makes it difficult to track when projects were originally scheduled and completed. In Fiscal 2015, the Economic Development Corporation committed \$163.1 million or 31.4 percent of its annual capital plan of \$519 million. Therefore, it is assumed that a significant

portion of the agency's Fiscal 2016 Capital Plan will be rolled into Fiscal 2017, thus increasing the size of the later years of the Fiscal 2017-2020 Capital Plan. Since adoption last June, the citywide total Capital Commitment Plan for Fiscal 2016 has increased from \$19.3 billion in the September Capital Commitment Plan to \$19.7 billion in the Preliminary Capital Commitment Plan, an increase of \$415 million or 2.2 percent.

EDC 2016-2019 Capital Commitment Plan: Adopted and Preliminary Budget					
<i>Dollars in Thousands</i>					
	FY16	FY17	FY18	FY19	Total
<b>Adopted</b>					
Total Capital Plan	\$821,728	\$827,062	\$509,707	\$289,433	<b>\$2,447,930</b>
<b>Preliminary Plan</b>					
Total Capital Plan	\$880,633	\$807,987	\$504,066	\$289,433	<b>\$2,482,119</b>
<b>Change</b>					
Level	\$58,905	(\$19,075)	(\$5,641)	\$0	<b>\$34,189</b>
Percentage Change	7%	(2%)	(1%)	0%	<b>1%</b>

Source: Preliminary Capital Budget, Office of Management and Budget

## Preliminary Capital Plan Highlights

The Fiscal 2017 Preliminary Capital Plan for NYCEDC – which covers Fiscal 2016-2019 – has increased by approximately \$34 million to a total of \$2.5 billion, an increase of just one percent when compared to the Corporation's Adopted Commitment Plan. Some of the major capital projects included in the Fiscal 2017 Preliminary Capital Plan include:

- **Acquisition Fund.** The Plan includes \$75 million for the Acquisition Fund. This fund will be used for future land acquisitions to assist in the implementation of City policy priorities. The focus will be on areas that are traditionally underserved or under-invested in order to help stabilize communities through affordable housing development and catalyze future economic growth.
- **Brooklyn Army Terminal.** A total of 12 projects related to the Brooklyn Army Terminal were identified in the Fiscal 2017 Preliminary Capital Plan. The largest of these projects was by far the \$99.4 million for BAT Phase V. This phase advances the renovation of 500,000 square feet (sf) in Building A to create modern, energy-efficient space for medium-sized light industrial and commercial businesses (minimum 8,000 square feet per business). Remediation and abatement is completed and temporary certificate of occupancy (TCO) is still scheduled for Summer, 2017.
- **Citywide Ferry Service.** Citywide Ferry Service was announced as part of the Mayor's State of the City Address on February 3, 2015. The service will connect waterfront communities to improve waterfront access, transit equity and resiliency, support residential growth, and promote economic development. There will be a total of five new routes plus the existing East River Ferry Route which will connect 21 landings (ten of them new). Citywide Ferry Service is projected to support approximately 4.6 million rider trips per year. Fares on the new service will cost \$2.75, the same as a bus or subway ride. The City has dedicated \$55 million in City

Capital funds for the construction of barges, gangways, and capital infrastructure needs required for the ferry landings. NYCEDC has begun building the floating spud barges that will serve as the ferry landings, and is in the process of design for in-water installation and upland construction. NYCEDC is on schedule to launch the new routes for Citywide Ferry Service in 2017 and 2018.

- **Coney Island West.** The Fiscal 2017 Preliminary Capital Plan includes \$175.2 million for the Coney Island West project. In Coney Island, the City is making strategic investments in infrastructure to support the existing neighborhood and help spur the development of up to 4,000 units of new affordable and mixed-income housing, as well as neighborhood retail services, and jobs. This redevelopment program will take place on vacant land and parking lots located in areas that were part of the Coney Island Comprehensive Rezoning of 2009, but have since remained undeveloped. Working with agency partners and in close consultation with the local elected officials, NYCEDC has developed a roadmap for the \$181 million investment in an upgraded sewer system, new streets with higher grades, and the relocation and enhancement of several City facilities. This allocation of funds builds upon existing capital funds that were budgeted at the time of the rezoning, and was highlighted in the Mayor's housing plan (Housing New York). NYCEDC is now proceeding with the design portions of the upgraded sewer system and new street system, in coordination with various City agencies.
- **Housing Fund.** The Fiscal 2017 Preliminary Capital Plan includes \$208.4 million for the Housing Fund. This fund will be dedicated to the infrastructure investments required for potential housing sites to be viable for new development. Housing New York set the goal of 80,000 new-construction affordable housing units over ten years, and new production will come from various sources including current and projected City pipelines, as-of-right development, and existing and new Inclusionary Housing areas. Many publicly-owned sites will require new infrastructure investment before development can occur, from physical infrastructure like streets and sewers, to site preparation like remediation or site elevation. The need for this funding was highlighted in an audit by the City Comptroller in February, 2016.<sup>1</sup> This audit found that the City owns over a thousand vacant lots that could be developed under existing urban renewal programs. In her response to this audit, the Commissioner of the Department of Housing Preservation and Development (HPD) mentioned the \$512 million in de Blasio's Fiscal 2016 Executive Budget for an affordable housing infrastructure fund.<sup>2</sup>
- **Hunters Point South Phase II.** The Fiscal 2017 Preliminary Capital Plan includes \$99 million for the Hunters Point South Phase II project. NYCEDC is managing the design and construction of the Hunter's Point South Infrastructure and Waterfront Park which will support seven new housing parcels being developed by HPD. NYCEDC is executing the new infrastructure and waterfront park in two phases. Phase I was substantially completed in 2013. Some key amenities in Phase I of the

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<sup>1</sup> See [http://comptroller.nyc.gov/wp-content/uploads/documents/FM14\\_112A.pdf](http://comptroller.nyc.gov/wp-content/uploads/documents/FM14_112A.pdf)

<sup>2</sup> Ibid. Addendum page 1 of 9

waterfront park included a maintenance building and café, a dog run, a basketball court and grass and turf fields. Infrastructure in Phase I was built to activate three housing parcels. HPD selected Phipps Houses, Related Companies, and Monadnock to develop the first two mixed-use parcels, and these buildings will be 100 percent affordable with over 900 housing units. The first two buildings broke ground in 2013 and the building became fully occupied in early 2016. HPD also selected TF Cornerstone for the third development parcel, which is still in the design phase. The Executive Capital Plan includes approximately \$15 million for the remaining portions of Phase I. NYCEDC's scope for Phase II will be similar to Phase I with new infrastructure and a waterfront park. The infrastructure includes new streets, sewer, water main and utility work. The waterfront park will have pedestrian and bicycle pathways, sidewalks, landscape treatment, lighting, seating and site furniture, playgrounds, adult fitness equipment, a kayak launch, and in-water mitigation work. Phase II broke ground in late summer of 2015 and is expected to support four new mixed-use housing parcels that will be developed by HPD.

- **Hunts Point Meat Market 2.** The Fiscal 2017 Preliminary Capital Plan includes \$65 million for the Hunts Point Meat Market 2 project. Funds are scheduled to make improvements for meat market businesses. These improvements include building upgrades and approximately 100,000 square feet of flexible food distribution processing and manufacturing space. Work will commence once site preparation is complete.
- **Industrial Fund.** The Fiscal 2017 Preliminary Capital Plan includes \$41 million for the Industrial Fund. The Industrial Developer Fund was created in order to help stimulate and subsidize the creation of new, high-impact industrial real estate. This Fund is a Mayoral and Speaker priority and was designed to stimulate the creation of 400,000 square feet of new or renovated industrial and manufacturing space and as many as 1,200 jobs by 2020.<sup>3</sup> The Fund also provides qualified real estate developers with gap-financing assistance. These public funds are intended to leverage owner equity so that the project merits traditional bank/senior lender financing provided under the Fund structure. Qualified projects seeking fund support will be considered when high impact projects are unable to move forward due to funding gaps. Projects must create long-term industrial real estate property and demonstrate creation of quality, permanent industrial jobs.
- **Lump Sum - Asset Management.** The Fiscal 2017 Preliminary Capital Plan includes \$42.2 million for the Asset Management Lump Sum. The funds are used to perform the capially eligible improvements necessary to keep city-owned property in a state of good repair. This includes substructure and structural work, life safety system improvements, elevator improvements, building envelope improvement, etc. NYCEDC identifies these needs by performing inspections and submits them in the form of a ten-year plan to OMB. NYCEDC estimates an additional \$133.6 million will be spent on this project beyond Fiscal 2019.

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<sup>3</sup> The NYC Industrial Developer Fund is a \$150 million public/private fund to provide project financing for industrial real estate development projects in the City. See <http://www.nycedc.com/program/nyc-industrial-developer-fund>

- **Lump Sum - Waterfront Improvements.** The Fiscal 2017 Preliminary Capital Plan includes \$51.5 million for the Waterfront Improvements Lump Sum. These funds are used to perform the capitably eligible waterfront improvements necessary to keep city-owned property in a state of good repair such as substructure and structural repairs to properties across the City. NYCEDC identifies the needs by performing inspections and submits them in the form of a ten-year plan to OMB. Beyond Fiscal 2019, NYCEDC expects to spend an additional \$88.2 million on this project.
- **Neighborhood Development Fund.** The Fiscal 2017 Preliminary Capital Plan includes \$185.6 million for the Neighborhood Development Fund. This is a reduction of over \$15 million from the Fiscal 2016 Adopted Budget because three projects are scheduled in East New York.
- **Rockaways Infrastructure Improvements.** The Fiscal 2017 Preliminary Capital Plan includes \$91 million for Rockaways Infrastructure Improvements, funding that was announced during the Mayor's State of the City address on February 4<sup>th</sup>. The City will focus resources in areas such as economic development, resiliency and infrastructure, housing and land use, transportation, culture, tourism and open space to transform Downtown Far Rockaway. This includes funding for the new Downtown Far Rockaway Library and improvements to the Sorrentino Recreation Center.
- **Southwest Bronx Infrastructure Improvements.** The Fiscal 2017 Preliminary Capital Plan includes \$133.6 million for Southwest Bronx Infrastructure Improvements. This project intends to fund infrastructure investments in the waterfront, publically accessible open space, public utilities and resiliency to catalyze public and private affordable housing development in a transit-rich area. NYCEDC expects an additional \$60.7 million to be spent on this project beyond Fiscal 2019.
- **Stapleton Waterfront Phase II & III.** The Fiscal 2017 Preliminary Capital Plan includes \$88.7 million for the Stapleton Waterfront Phase II & III project. The Homeport, a 35-acre decommissioned U.S. Naval Base in Staten Island, is being transformed into a vibrant, sustainable, and livable addition to the Stapleton community and the Staten Island waterfront in accordance with the community-driven New Stapleton Waterfront Development Plan. After breaking ground in 2013, the Ironstate Development Company is investing \$150 million to transform seven acres into a sustainable development of rental housing units and retail stores. The mixed-use project will bring roughly 900 units of housing, 30,000 square feet of ground floor retail, and five acres of new waterfront esplanade to the Stapleton community. The City is investing \$32 million for road improvements and a new waterfront esplanade. The remaining \$2.2 million is for Phase I capital improvements that include road reconstruction/improvements and the new waterfront esplanade for the historic Stapleton community. Phase II includes \$25 million to initiate construction of new open space, restored tidal wetlands, reconstruction along major connector streets, new storm water systems, and streetscapes. The remaining \$70 million will be for portions of Phases II & III to help with the creation of new open space, realignment and reconstruction of Front Street,

new storm water systems, and streetscapes. This investment in infrastructure and open space will lay the foundation for future phases of the project, including new affordable housing units.

### Council Capital Projects

The Fiscal 2017 Preliminary Capital Plan also includes projects funded by the Council itself. This includes over 100 projects with a total value of \$102.8 million, or four percent of NYCEDC's Fiscal 2016-2019 Preliminary Capital Plan. Some of the projects include:

- **Brooklyn Navy Yard Development Corporation (BNYDC) - Building 77.** The Fiscal 2017 Preliminary Capital Plan includes \$5 million in City Council funds for the BNYDC - Building 77 project. This is in addition to the \$33.1 million of Mayoral funds and \$500,000 of Brooklyn Borough President funding which is also funding Building 77 in Fiscal 2016. Total construction is expected to cost approximately \$170 million, and Building 77 is scheduled to be complete in the latter part of Fiscal 2017. The scope of work for this phase includes excavation, foundation and concrete work, masonry, flooring, elevators, HVAC, as well as fire suppression and alarm installation.
- **BNYDC - Macro Sea.** The Fiscal 2017 Preliminary Capital Plan includes \$3.8 million in City Council funds for the BNYDC - Macro Sea project. The third phase of the Macro Sea project in the Yard's Green Manufacturing Complex will adaptively reuse a portion of Building 128, an L-shaped, one-story steel framed structure with a ground floor area of 105,200 square feet and a mezzanine area of 30,000 square feet. Macro Sea will lease 84,000 square feet on the main floor, including the mezzanine area.
- **BNYDC Channel 75 Building Renovation.** The Fiscal 2017 Preliminary Capital Plan includes \$6.3 million in City Council funds for the BNYDC Channel 75 Building Renovation. In December 2011, HITN (a telecommunications company) received a certificate to proceed (CP) to rebuild part of its facility at the Navy Yard. Since that time, HITN has decided to re-scope the project in an upcoming CP amendment.
- **Caribbean American Chamber of Commerce and Industry - CACCI.** The Fiscal 2017 Preliminary Capital Plan includes \$3 million in City Council funds for the Caribbean American Chamber of Commerce and Industry (CACCI). NYCEDC is vetting whether the CACCI project can be included in the Flatbush Caton mixed-use development which will also include affordable housing and a re-built Flatbush Caton market. CACCI's project would be the purchase of a condo space from which to offer its programming and advance its mission of promoting business opportunities for Caribbean American individuals and business. CACCI has recently submitted a re-purposing allocation to the Discretionary Capital Grants database to reflect the proposed new location of its facility.
- **GMDC Construction Funding Agreement.** The Fiscal 2017 Preliminary Capital Plan includes \$4 million in City Council funds for the Greenpoint Manufacturing and Design Center (GMDC) Construction Funding Agreement. This project will provide a portion of the costs for the comprehensive upgrade of the elevators at GMDC's



Manhattan Avenue location. Two dilapidated freight elevators will be replaced, and an entirely new shaft for one of the elevators will be created. This work will not only improve access to the tenants' spaces, better serving their production needs, but will also allow the tenants to operate their small businesses with more dependability. As many as 64 of the 74 tenants who operate at 1155 Manhattan Avenue will be positively affected by this project.

- **Hudson Park River Trust - Pier 40 Rooftop Repairs Funding Agreement.** The Fiscal 2017 Preliminary Capital Plan includes \$4.3 million in City Council funds for the Hudson Park River Trust - Pier 40 Rooftop Repairs Funding Agreement. The allocation for Hudson River Park Trust Pier 40, together with mayoral funds, will be used to provide a portion of the costs of the comprehensive renovation of more than 90,000 square feet on the Pier 40 parking garage roof, as well as the roof ramp extending from the ground floor. This work will allow the space to be accessed for use for public parking, which is critical to supporting Hudson River Park Trust's efforts to generate income for its annual operating budget. The Trust's annual operating budget includes all salaries, park programs, education, security, maintenance, horticulture and other operating costs.
- **Hunts Point Market.** The Fiscal 2017 Preliminary Capital Plan includes \$11.5 million in City Council funds for the Hunts Point Market project. Funds are for a future Produce Market redevelopment project, pending negotiations with the Produce Market businesses.
- **Hunts Point Meat Market.** The Fiscal 2017 Preliminary Capital Plan includes \$3.3 million in City Council funds for the Hunts Point Meat Market project. This allocation will be used to update aging building infrastructure at the Meat Market. Improvements will improve a new boiler, a new chiller to improve refrigeration and an upgrade to the glycol concentrator, which will defrost and dehumidify the space. The agreement is currently pending at OMB for its certificate to proceed.
- **La Marqueta.** The Fiscal 2017 Preliminary Capital Plan includes \$3 million in City Council funds for the La Marqueta project. Located in East Harlem, La Marqueta is an indoor market on Park Avenue between 110<sup>th</sup> and 116<sup>th</sup> streets, originally designed to give permanent homes to 450 pushcart vendors. It now boasts on-site baking facilities and an urban gardening center.
- **Northern Manhattan Ferry Infrastructure.** The Fiscal 2017 Preliminary Capital Plan includes \$3 million in City Council funds for the Northern Manhattan Ferry Infrastructure project. Dyckman Street pier in Inwood, Manhattan has been identified as a potential site for recreational and tourist ferry service, with the goal of spurring economic development in the area through increased visitor traffic. Some City capital funding has been allocated for potential improvements to the pier in support of ferry service, with more funding anticipated in the coming fiscal year. NYCEDC will undertake a study to better understand the market demand for these services in Inwood.
- **Solar 2 Green Energy Arts and Education Center.** The Fiscal 2017 Preliminary Capital Plan includes \$1.1 million in City Council funds for the Solar 2 Green Energy

Arts and Education Center. The project consists of the design and construction of the new Solar 2 facility, as contemplated in the existing lease with Solar One, and improvements to the public spaces within Stuyvesant Cove Park. The proposed work includes a new kayak facility, public restrooms and new irrigation systems for the park plants. It is expected that the new Solar 2 facility will be a modular/prefabricated building. The environmental education center will be comprised of classrooms/exhibition spaces, office space, a garden center, café and restrooms.

### Capital Projects NYCEDC is managing for other Agencies

According to analysis by Council Finance, in addition to the \$2.5 billion Fiscal 2016-2019 Capital Commitment Plan discussed extensively above, NYCEDC is also managing over \$548 million in capital projects for other agencies. This includes over \$204 million for the Department of Environmental Protection and \$149 million for Cultural Institutions, as shown below:

Non-EDC Projects Overview				
Agency	Total Fiscal 2016-2019 (Dollars in Thousands)	Percent of Total	Number of Projects	Percent of Total
DEPARTMENT OF ENVIRONMENTAL PROTECTION	\$204,239	37.3%	38	8.9%
CULTURAL INSTITUTIONS	149,415	27.3%	118	27.7%
DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES	62,445	11.4%	109	25.6%
DEPARTMENT OF TRANSPORTATION	42,612	7.8%	43	10.1%
PARKS	31,737	5.8%	43	10.1%
HEALTH	13,712	2.5%	20	4.7%
HOUSING & DEVELOPMENT	11,999	2.2%	3	0.7%
OTHER	31,892	5.8%	52	12.2%
<b>TOTAL</b>	<b>\$548,051</b>	<b>100.0%</b>	<b>426</b>	<b>100.0%</b>

## Revenue

NYCEDC collects revenue from the issuance of permits, the charge for service of energy cost-savings fees, the sale of assets, and rental income from a number of sources. Standing out is the \$41.1 million in revenue that is projected to be generated in Fiscal 2017 from 42<sup>nd</sup> Street Payments. The City owns land around Times Square and NYCEDC collects payments in lieu of taxes (PILOTs) and rent, which is returned to the City.

EDC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	2014 Actual	2015 Actual	2016 Adopted	Preliminary Plan		*Difference
				2016	2017	2016 - 2017
<b>Miscellaneous</b>						
Non-Recurring Rev: Asset Sale	\$32,404	\$9,745	\$14,684	\$14,684	\$5,766	(\$8,918)
<b>Sub-Total</b>	<b>\$32,404</b>	<b>\$9,745</b>	<b>\$14,684</b>	<b>\$14,684</b>	<b>\$5,766</b>	<b>(\$8,918)</b>
<b>Rental Income</b>						
Dock Slip And Wharfage	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$0
Terminal Market Rents	7,251	7,251	7,251	7,251	7,251	0
Hunts Point Net Leasing	2,452	2,452	2,452	2,452	2,452	0
42 <sup>nd</sup> Street Payments	40,800	18,626	41,127	41,127	41,127	0
Fulton Fish Market Rent	905	905	905	905	905	0
<b>Sub-Total</b>	<b>\$56,208</b>	<b>\$34,034</b>	<b>\$56,535</b>	<b>\$56,535</b>	<b>\$56,535</b>	<b>\$0</b>
<b>Charge for Service</b>						
Energy Cost Savings Fees	\$50	\$50	\$50	\$50	\$50	\$0
<b>Sub-Total</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$0</b>
<b>Licenses, Permits &amp; Franchises</b>						
Terminal Market Permits	\$340	\$340	\$340	\$340	\$340	\$0
Work Permit- Plan Examination	100	250	100	100	100	0
Brooklyn Meat Market Permits	970	970	970	970	970	0
<b>Sub-Total</b>	<b>\$1,410</b>	<b>\$1,560</b>	<b>\$1,410</b>	<b>\$1,410</b>	<b>\$1,410</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$90,072</b>	<b>\$45,389</b>	<b>\$72,679</b>	<b>\$72,679</b>	<b>\$63,761</b>	<b>(\$8,918)</b>

\*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

## Fiscal 2017 Preliminary Budget Highlights

A significant portion of the Department of Small Business Services' Fiscal 2017 Preliminary Budget represents funds for NYCEDC, whose non-capital related expenses flow through the contract budget of SBS. Highlights of these key actions for NYCEDC are described below and a full list is provided in Appendix A.

- One City Programs.** The Fiscal 2017 Preliminary Plan includes \$2.8 million in City funding for three One City projects: The NYCEDC Clean Technology Incubators Program, the CUNY Advanced Solar Power Program, and the Building Performance Study.
- The Governors Island (TGI) Operating Funding.** The Preliminary Plan includes \$2.5 million in Fiscal 2016 to cover maintenance costs incurred during the year, including electrical outages, repairs to TGI's ferry terminal lift bridges/docks, and contract cost increases for the main ferry service operator.
- Economic Development Studies.** The Fiscal 2017 Preliminary Plan includes \$2.1 million in City funding for the For-Hire Vehicle Transportation Study, which was

published in January 2016.<sup>4</sup> The report details the City's for-hire vehicle market and presents recommendations to adapt current regulations to better meet the needs of New Yorkers.

- **Housing Recovery Office.** The Fiscal 2017 Preliminary Plan includes an increase of \$23.6 million for HRO in Fiscal 2016, as well as a \$13.1 million adjustment for HRO in Fiscal 2016. Going forward, the funds for the Housing Recovery Office will flow through the Department of Environmental Protection as opposed to NYCEDC.
- **HRO Dewberry (Increase).** The Fiscal 2017 Preliminary Plan includes \$10.3 million for the Fiscal 2016 budget for CDBG-DR funded pre-construction services. This includes both cost-to-complete assessments and environmental assessments related to an HRO project to repair and rebuild housing damaged by Superstorm Sandy. Beyond damage assessments and environmental investigations to identify in-home hazards such as lead, asbestos, and mold, these pre-construction services also include the cost estimates to fully restore homes.
- **Retrofit Program NYC DEP.** The Fiscal 2017 Preliminary Plan includes \$7 million in Fiscal 2016 and \$6.7 million in Fiscal 2017 for the NYC Retrofit Accelerator, a program launched in 2015 which is anticipated to reduce citywide greenhouse gas emissions substantially. This program aims to help owners and operators of privately-owned buildings reduce operating costs and increase the sustainability of their properties through energy and water upgrades.
- **Environmental Assessment Statement (EAS) FY16.** The Fiscal 2017 Preliminary Plan includes \$1.5 million for environmental consultant contracts. NYCEDC contracts with a few companies who perform environmental reviews when needed. These retainer contracts include AKRF, Lois Berger, and Parsons-Brickernhoff.

## Fiscal 2016 Preliminary Mayor's Management Report Highlights

The Fiscal 2016 PMMR outlines the responsibilities and goals of NYCEDC. According to the Fiscal 2016 PMMR, NYCEDC has five service goals. The first goal is to support industry growth by improving the connectivity and livability of neighborhoods and investing in infrastructure and area-wide redevelopment. The second service goal is to leverage City assets to support business growth and strengthen communities' economic vitality. The third service goal is to grow and diversify the City's economy by enhancing the competitiveness of industries and businesses. The fourth service goal is to facilitate private sector investments and make City investments where necessary to support business growth and secure a positive return to the City. The last service goal is to create economic opportunity for New Yorkers through real estate development. The chart in Appendix B provides all performance statistics for Fiscal 2013 to 2015, target data for Fiscal 2016 and Fiscal 2017, and four-month actual data for Fiscal 2015 and Fiscal 2016. Several indicators are worthy of highlighting:

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<sup>4</sup> See <http://www1.nyc.gov/assets/operations/downloads/pdf/For-Hire-Vehicle-Transportation-Study.pdf> for the final report

- In the first four months of Fiscal 2016, the projected three-year job growth associated with closed contracts decreased to 119, compared to 161 in the first four months of Fiscal 2015. However, the projected net City tax revenues generated in connection with closed contracts increased from \$230.1 million in the first four months of Fiscal 2015 to \$264.2 million in the first four months of Fiscal 2016, or a difference of 11 percent.
- During the first four months of 2016, the New York City Industrial Development Agency (NYC IDA) closed three contracts which are expected to generate approximately \$15.8 million in City tax revenue and 171 jobs over the course of their respective terms. This is less than 40 percent of the revenue that was generated in the first four months of 2015 and less than 10 percent of the revenue that was generated in the first four months of 2014.
- Interestingly, in the first four months of Fiscal 2015, NYCEDC closed 23 of 39 outstanding violations, a rate of nearly 60 percent. In the first four months of Fiscal 2016, however, NYCEDC closed only 1 of 27 outstanding violations, or four percent.
- The PMMR shows a substantial increase in private investment leveraged on the sale/long-term lease of City-owned property in the first four months of Fiscal 2016 when compared to the same four-month period last year.
- Average monthly ridership of the East River Ferry increased 11 percent in the first four months of Fiscal 2016 when compared to the same four-month period last Fiscal year.

## Appendix A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
<b>SBS Budget as of the Adopted 2016 Budget</b>	<b>\$107,984</b>	<b>\$154,040</b>	<b>\$262,024</b>	<b>\$72,401</b>	<b>\$61,065</b>	<b>\$133,466</b>
<b>New Needs</b>						
Bus Program	\$28,770	\$0	\$28,770	\$113	\$0	\$113
Economic Development Studies	2,071	0	2,071	0	0	0
MWBE Bond Surety Fund	100	0	100	9,900	0	9,900
MWBE Loan Program	100	0	100	9,900	0	9,900
NYC and Co Funding	0	0	0	6,000	0	6,000
OER EPIC	35	0	35	50	0	50
OER Grant Writing	10	0	10	9	0	9
OER Training	20	0	20	20	0	20
Reallocation of One City Programs	2,815	0	2,815	0	0	0
Small Business First Portal Expenses	140	0	140	630	0	630
TGI Hills Maintenance	0	0	0	485	0	485
TGI Operating Funding	2,513	0	2,513	84	0	84
<b>Subtotal, New Needs</b>	<b>\$36,573</b>	<b>\$0</b>	<b>\$36,573</b>	<b>\$27,190</b>	<b>\$0</b>	<b>\$27,190</b>
<b>Other Adjustments</b>						
City Service Corp (SBS)	(\$53)	\$0	(\$53)	(\$14)	\$0	(\$14)
Collective Bargaining - Organization of Staff Analysts	39	0	39	48	0	48
Connect NYC FY 16 Transfer	0	1,636	1,636	0	0	0
CSX FY 16 Transfer	0	1,000	1,000	0	0	0
Dewberry FY16	0	10,318	10,318	0	0	0
FEMA FY 16 Cat E PW3289	0	2,094	2,094	0	0	0
FY15 to FY16 LMDC Rollover	0	1,674	1,674	0	0	0
FY15-16 Budget Rollover	0	17,856	17,856	0	0	0
FY16 AveNYC Rollover Mod	0	671	671	0	0	0
FY16 BC 0331 Increase	0	20	20	0	0	0
FY16 BC 0333 Increase	0	33	33	0	0	0
FY16 BNY DR Local Match FEMA	0	433	433	0	0	0
FY16 BNY FEMA Grant	0	1,109	1,109	0	0	0
FY16 EDC	0	1	1	0	0	0
FY16-17 CDBG-DR Resiliency Prg	0	1,742	1,742	0	1,742	1,742
FY16-EDC/MOME for Media Center	0	448	448	0	0	0
FY16-MOME/SBS Internship Prog	0	975	975	0	0	0
HRO Increase 2016	0	23,575	23,575	0	0	0
HRO-BCG 16	0	287	287	0	0	0
IC W/ EDC-FQHC	0	6,000	6,000	0	0	0
IC W/SBS-FRESH COORDINATOR	0	20	20	0	0	0
LGRMIG Grant	0	75	75	0	0	0
McKinsey Consulting Services	0	3,279	3,279	0	0	0
Member Item Reallocation	153	0	153	0	0	0
NYC EDC -The Inspection of Wat	0	620	620	0	0	0
One Stop FY16 Transfer	0	38	38	0	0	0
Randall's Island Connector	0	412	412	0	0	0
Red Hook	0	100	100	0	0	0
Red Hook FY16	0	1,768	1,768	0	0	0
RETROFIT PROGRAM NYC DEP	0	7,025	7,025	0	6,702	6,702
TAA FY15 to FY16 Rollover	0	286	286	0	0	0
BAT Rent - Base Inc. FY16-20	0	50	50	0	50	50

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
BDD Legacy Business Support	(\$160)	\$0	(\$160)	\$0	\$0	\$0
CDBG-DR Resiliency Program	0	(1,212)	(1,212)	0	(246)	(246)
CEO Funding Adjustment	0	0	0	3,549	0	3,549
City Council Member Item Reallocation	(15)	0	(15)	0	0	0
Collective Bargaining Adjustment	0	7	7	0	10	10
EAS FY16	0	1,500	1,500	0	0	0
EDC CDBG Staff Time FY15	0	1,398	1,398	0	0	0
EDC - Uncubed Career Fair	0	5	5	0	0	0
FY16 CDBG Workforce Increase	0	528	528	0	0	0
FY16 TAA Budget Increase	0	101	101	0	0	0
HRO FY 16	0	13,124	13,124	0	0	0
IC W/ SBS-FRESH COORDINATOR	0	3	3	0	0	0
MOER BF - EPA CW Haz Sub Asses	0	137	137	0	0	0
MOER BF - EPA CW Haz Petrol	0	121	121	0	0	0
MOER Brownfields - NYS BOA	0	406	406	0	0	0
NDD Neighborhood Initiative	(1,000)	0	(1,000)	0	0	0
NYCHA Small Business First Center Lease	(442)	0	(442)	0	0	0
OER - BF EPA Revolving Loan	0	776	776	0	0	0
OER Efficiency Savings	(156)	0	(156)	(156)	0	(156)
Rent For 130 Cedar Street	0	98	98	0	0	0
Saw Mill Creek Staff Time	0	102	102	0	102	102
Small Business First PS	(100)	0	(100)	0	0	0
TGI Efficiency Savings	(147)	0	(147)	(295)	0	(295)
WDD Cool Roofs Support Center	(350)	0	(350)	0	0	0
<b>Subtotal, Other Adjustments</b>	<b>(\$2,231)</b>	<b>\$100,636</b>	<b>\$98,406</b>	<b>\$3,132</b>	<b>\$8,360</b>	<b>\$11,492</b>
<b>TOTAL, All Changes</b>	<b>\$34,342</b>	<b>\$100,636</b>	<b>\$134,978</b>	<b>\$30,322</b>	<b>\$8,360</b>	<b>\$38,682</b>
<b>SBS Budget as of the Preliminary 2017 Budget</b>	<b>\$142,326</b>	<b>\$254,676</b>	<b>\$397,002</b>	<b>\$102,723</b>	<b>\$69,425</b>	<b>\$172,147</b>

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## Appendix B: Fiscal 2016 PMMR Performance Measures

EDC Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Private investment leveraged on the sale/long-term lease of City-owned property (\$000,000)	331.2	6,020.5	2,003.3	582.0	534.0	7.1	326.0
Capital expenditures (\$000,000) (excludes asset management and funding agreements)	365.0	296.3	253.2	*	*	33.5	59.0
Graffiti sites cleaned	10,727	7,909	10,295	*	*	5,750	4,486
Square feet of graffiti removed (000)	4,078	4,325	5,913	*	*	3,075	2,350
East River ferry - Average monthly ridership	101,579	107,494	113,366	*	*	154,463	170,944
Capital expenditures on asset management (\$000,000)	46.0	49.9	38.8	*	*	5.7	11.6
Occupancy rate of NYCEDC-managed property (%)	95.7%	97.3%	93.3%	95.0%	95.0%	93.8%	93.2%
Portfolio revenue generated (\$000,000)	180.3	199.4	192.4	*	*	NA	NA
Square footage of assets actively managed by NYCEDC (000)	65,537	66,394	67,267	*	*	NA	NA
Outstanding violations at beginning of the period	55	35	25	*	*	39	27
Outstanding violations closed during the period	19	23	22	*	*	23	1
Businesses served by industry-focused programmatic initiatives	1,070	1,290	1,366	UP	UP	NA	NA
Private sector jobs in innovation industries (%)	14.5%	14.6%	14.7%	*	*	NA	NA
New York City unemployment rate (%)	8.5%	8.2%	6.6%	*	*	6.8%	5.3%
New York City Industrial Development Agency projects - Contracts closed	20	21	14	*	*	5	3
Projected three-year job growth associated with closed contracts	5,348	12,238	10,822	2,500	2,500	47	171
- Projected net City tax revenues generated in connection with closed contracts (\$000,000)	576.4	1,370.4	1,435.6	UP	UP	40.6	15.8
- Private investment leveraged on closed projects (\$000,000)	1,710.5	5,189.0	3,596.2	*	*	38.5	15.9
Build NYC Resource Corporation - Contracts closed	24	21	23	*	*	8	10
Projected three-year job growth associated with closed contracts	491	307	211	300	300	161	119
- Projected net City tax revenues generated in connection with closed contracts (\$000,000)	173.6	250.9	515.6	UP	UP	238.2	264.2
- Private investment leveraged on closed projects (\$000,000)	513.7	555.8	777.8	*	*	230.1	537.7
Value of funding disbursed pursuant to City funding agreements (\$000,000)	91.0	166.3	168.7	*	*	56.5	27.8
Project employees reported to be earning a living wage or more (%)	NA	94.0%	95.0%	*	*	NA	NA