The budget of the Economic Development Corporation (EDC) is $1.42 billion in Fiscal 2013-2017.

The City has received $3 billion in Hurricane Sandy funds from the Federal government. Of this amount, $45.3 million is allocated to EDC in Fiscal 2013 for repairs and improvements to various City-owned properties, including the Brooklyn Navy Yard, Pier A, Governors Island, Homeport, Brooklyn Cruise Terminal, and the 34th Street Ferry Landings.

The City also received $1.77 billion in Community Development Block Grant Recovery (CDBG-R) funding for the Hurricane Sandy recovery initiatives. The City will use $648 million for Housing Recovery, $293 million in Business Recovery, and $829 million for Infrastructure and Resiliency. EDC will manage the Business Recovery and Infrastructure and Resiliency programs. EDC’s President Seth Pinsky has been appointed Senior Advisor to the Mayor and also as Director of Mayor’s Special Initiative for Rebuilding & Resiliency (SIRR).
FINANCE DIVISION

Preston Niblack, Director
Jeffrey Rodus, First Deputy Director

Nathan Toth, Deputy Director
Ralph P. Hernandez, Principal Legislative Financial Analyst
**ECONOMIC DEVELOPMENT CORPORATION OVERVIEW**

New York City’s economic development programs are initiated and managed by two agencies: the Department of Small Business Services (SBS) and the Economic Development Corporation (EDC). 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.

EDC is funded through a contract with SBS. EDC 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. EDC is also involved in property management and development of the City’s marine terminals, airports, heliports, rail yards, and industrial parks.

For additional information on the EDC’s Budget, please refer to the “Preliminary Fiscal 2014 Report” on the Council’s website.
CAPITAL PROGRAM

EDC’s May 2013 Capital Commitment Plan includes $1.42 billion for Fiscal 2013-2017 (including City and Non-City funds). This represents 3.2 percent of the City’s total $44.5 billion May Plan for Fiscal 2013-2017. EDC’s May 2013 Commitment Plan for Fiscal 2013-2017 is 3.4 percent more than the $1.37 billion scheduled in the January 2013 Commitment Plan, an increase of $46.8 million.

The majority of capital projects span multiple fiscal years, and it is, therefore, common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2012, EDC committed $244.4 million or 25.2 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the EDC’s Fiscal 2013 Capital Plan will be rolled into Fiscal 2014, thus increasing the size of the Fiscal 2014-2017 Capital Plan. Since adoption last June, the City’s total Capital Commitment Plan for Fiscal 2013 has decreased from $17.9 billion in the September 2012 Capital Commitment Plan to $16.6 billion in the May 2013 Capital Commitment Plan, a decrease of $1.3 billion or 7.3 percent.

Fiscal 2013-2017 Capital Commitment Plan: Preliminary and Executive Budget

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MAJOR CAPITAL PROJECTS & EXECUTIVE BUDGET HIGHLIGHTS

HURRICANE SANDY SPENDING

The City has received $3 billion in Hurricane Sandy funds from the Federal government. Of this amount, $45.3 million is allocated to EDC in Fiscal 2013 for the following: $29.3 million for the repairs and improvements to the Brooklyn Navy Yard, $4.5 million for repairs to Governor’s Island, $2.2 million for repairs to Homeport, $3 million for repairs to the Brooklyn Cruise Terminal, $1.5 million to repair the 34th Street Ferry Landings, and $3 million for repairs to various City-owned properties. Hurricane Sandy capital funding is currently forecasted in the Capital Commitment Plan as City funds. These funds will be treated as grant funding by the City, and the commitments will be transferred to a federal non-city budget code as they are spent.

COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY (CDBG-R) FOR HURRICANE SANDY

On May 10th, the Administration announced the Federal approval of the City’s plan for $1.77 billion1 in CDBG-R funding for the Hurricane Sandy recovery initiatives. The City submitted its Disaster Recovery

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1 The $1.77 billion in CDBG-R funds are not included in the Fiscal 2014 Capital Commitment Plan as the funds were allocated after OMB released the Budget documents.
Action Plan in April, outlining its proposal to spend the initial Federal aid allocation on programs for housing recovery, business recovery, infrastructure and resiliency. With the Federal approval, the funds can be released, allowing the City to launch its initiatives and extend relief to more home owners and small businesses with extensive damages and expenses. EDC will manage the Business Recovery and the Infrastructure and Resiliency Programs as EDC’s President Seth Pinsky has been appointed Senior Advisor to the Mayor and also as Director of Mayor’s Special Initiative for Rebuilding & Resiliency (SIRR).

**Business Recovery – $293 Million**

The business relief programs include:

- $72 million for business loans and grants;
- $90 million for investments in business resiliency;
- $90 million for “Game-Changer Investment Competition” to reward innovative ideas for spurring economic development in hard hit areas; and
- $41 million for a competition to develop resilient technologies.

The application process for the business loan and grant program will open on Monday, May 20th. SBS will oversee the business loans and grants program. Business owners will work directly with an account manager at the NYC Business Solutions Center to apply for loans of up to $150,000 and matching grants of up to $60,000.

**Infrastructure and Resiliency Programs– $829 Million**

The City will extend $360 million to repair City infrastructure damaged by the storm, and for City services set up in the response and recovery work. The City has set aside $294 million for resiliency investments to be detailed in a report to be issued by the SIRR. Finally, per Federal requirements, $177 million has been allocated for planning and administration of the City's recovery programs.

**EXECUTIVE CAPITAL BUDGET HIGHLIGHTS**

The following are the largest projects in EDC’s May 2013 Capital Commitment Plan in terms of planned commitments for Fiscal 2013-2017:

**Cornell University-Technion-Israel Institute of Technology Consortium Applied Science and Engineering Campus.** In December 2011, the Administration awarded Cornell University and Technion-Israel Institute of Technology $100 million in capital funds to build a two-million-square-foot Applied Science and Engineering campus on Roosevelt Island. This project is part of the Mayor’s Applied Sciences NYC initiative, which seeks to increase the City's capacity for applied sciences and dramatically transform the City's economy away from the financial industry. Of the $100 million, $71.66 million would be used for the construction costs of the new academic facility, including site preparation, project and construction management, and other related costs. The remaining $28.35 million would cover energy infrastructure, including the construction of a new high-pressure gas line to Roosevelt Island.

**Governors Island.** EDC’s May 2013 Capital Commitment Plan includes approximately $227.2 million in Fiscal 2013-2017 for the management and redevelopment of Governors Island. Of the total amount, roughly $200 million is allocated for Fiscal 2013. These funds would cover the following: design, construction, resident engineering and costs for the park and public open space; rehabilitation of a lift.
bridge and the Soissons Dock; building stabilization and electrical infrastructure repairs; and construction of a portable water pipe and distribution system. Out year funding will be used for successive phases of this work and outstanding maritime infrastructure items.

**WILLETS POINT REDEVELOPMENT.** EDC’s May 2013 Capital Commitment Plan includes $170.7 million in Fiscal 2013-2017. Of this amount, $154 million is allocated for Fiscal 2013 for infrastructure improvements, acquisition and relocation, and remediation/technical services. Currently, the acquisitions are ongoing with $42.2 million committed this year. Phase I of infrastructure work began in December 2011 and includes water mains, storm water/sewer outfalls and rerouting/extending private utility service. Capital funds associated with remediation/technical services represent costs covering the environmental consulting services, which are related to the ongoing environmental mitigation throughout the Willets Point development.

**BNYDC.** EDC’s May 2013 Capital Commitment Plan includes $128 million in Fiscal 2013-2017 for the Brooklyn Navy Yard Development Corporation (BNYDC) to manage the City-owned Navy Yard. The BNYDC is continually utilizing City capital funds for infrastructure repair and other physical improvements. This ongoing work includes, but is not limited to: repair of the roadways, water mains and sewers, electrical work, building rehabilitation and dredging. Rehabilitation of the waterfront infrastructure will be a primary focus in Fiscal 2013-2017, as well as the redevelopment of a 287,000 square foot site (formerly Naval housing) into a supermarket. These capital improvements have been undertaken to attract and retain tenants at the Navy Yard. There are roughly 275 tenants at present generating approximately 6,000 jobs. In addition to the $128 million budgeted through Fiscal 2017, approximately $29 million was provided in Fiscal 2013 for Hurricane Sandy Related work.

**PASSENGER SHIP TERMINAL/PIER REHABILITATION.** EDC’s May 2013 Capital Commitment Plan includes $45.9 million in Fiscal 2013-2017 for the Passenger Ship Terminal/Pier Rehabilitation. This includes the Passenger Ship Terminal improvements, rehabilitation of Piers 88, 89, and 92, and pile and offshore end rehabilitation. This is part of the Administration’s and the City Council’s $3.3 billion comprehensive plan to improve the City’s waterfront and waterways.

**FLATBUSH REVITALIZATION.** EDC’s May 2013 Capital Commitment Plan includes $52 million in Fiscal 2013-2017 for the restoration of Loew’s Kings Theatre in Flatbush, Brooklyn. The goal of the renovation project is to restore the historic structure and create a state-of-the-art performance facility. Located at 1025-1035 Flatbush Avenue, the space will be the largest indoor theater in Brooklyn and will be the centerpiece of a revitalized Flatbush. The expected opening is Fall 2014.

**HUNTS POINT MARKET.** EDC’s May 2013 Capital Commitment Plan includes approximately $76.7 million for the Hunts Point Market. The capital funding would cover various projects at Hunts Point, including food distribution facilities, roadways and green trails, and the produce market. The City and the Hunts Point Produce Market are in continued discussions about extending the produce market lease and the plan to build a larger and modernized market.

**BROOKLYN ARMY TERMINAL (BAT).** EDC’s May 2013 Capital Commitment Plan includes approximately $18.4 million in Fiscal 2013-2017 for the Brooklyn Army Terminal (BAT). The goal is to redevelop the industrial park, primarily aimed at two main buildings occupied by tenants for various uses, the creation of the state-of-the-art bioscience facilities, and campus-wide infrastructure upgrades, including the rehabilitation of the building systems including elevators, roofs, and facades. The renovated portions of BAT are occupied, including the bioscience facilities, and additional infrastructure rehabilitation work is expected to occur in the next few years based on asset management rehabilitation schedules.
**DOWNTOWN BROOKLYN REDEVELOPMENT.** EDC’s May 2013 Capital Commitment Plan includes $19.7 million in Fiscal 2013-2017 for the Downtown Brooklyn Redevelopment. EDC and the Department of City Planning (DCP) created a comprehensive redevelopment plan for Downtown Brooklyn to facilitate the continued growth of the area. These projects include multiple streetscape improvements and water main and sewer infrastructure upgrades for existing buildings and new buildings. Other components of the project will include streetscape improvements along Fulton Street, Flatbush Avenue, and throughout MetroTech, as well as investments in Boerem Place, Willoughby Square, an underground parking facility, and the creation of an underground railroad commemorative feature.

**HOMEPORT.** EDC’s May 2013 Capital Commitment Plan includes roughly $13 million for Staten Island’s Homeport. The Homeport is a 35-acre decommissioned U.S. Naval Base that would be transformed into a new, mixed-use residential community in accordance with the community-driven New Stapleton Waterfront Development Plan. The first phase of the development will activate and reconnect an underutilized waterfront with new housing, retail and significant improvements in public infrastructure. The $13 million will be used for road improvements and a new waterfront esplanade for the historic Stapleton community and all of Staten Island. Future phases of development will include additional public open space. Homeport also received $2.2 million in Hurricane Sandy funds for repairs.