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Report on the Fiscal 2025 Preliminary Plan
and the Fiscal 2024 Preliminary Mayor's
Management Report for the

New York City Economic Development Corporation

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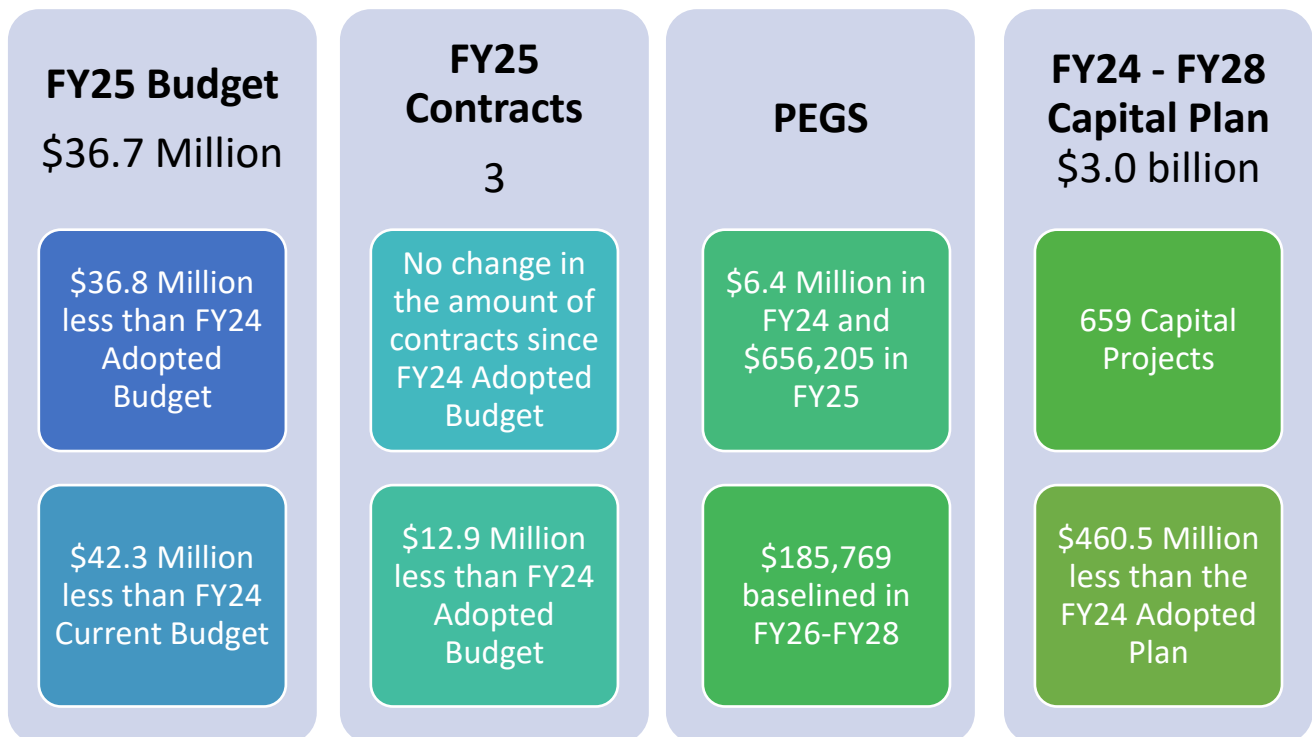
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New York City Economic Development Corporation Overview

The New York City Economic Development Corporation (NYCEDC, EDC, or the Agency) is charged with leveraging the City’s assets to drive growth, create jobs, and improve quality of life. 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 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 capital projects, EDC 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. This report provides a review of NYCEDC’s Preliminary Budget for Fiscal 2025, which includes highlights of the \$3.0 billion Capital Plan for Fiscal 2024-2028. The report also presents budget actions from the Preliminary Plan and highlights from the Fiscal 2024 Preliminary Mayor’s Management Report (PMMR). Appendices are included presenting all the budget actions in the November and Preliminary Plans, capital projects broken down by borough, non-NYCEDC project overviews, and investment projects.

New York City Economic Development Corporation Fiscal 2025 Budget Snapshot (City Resources only)

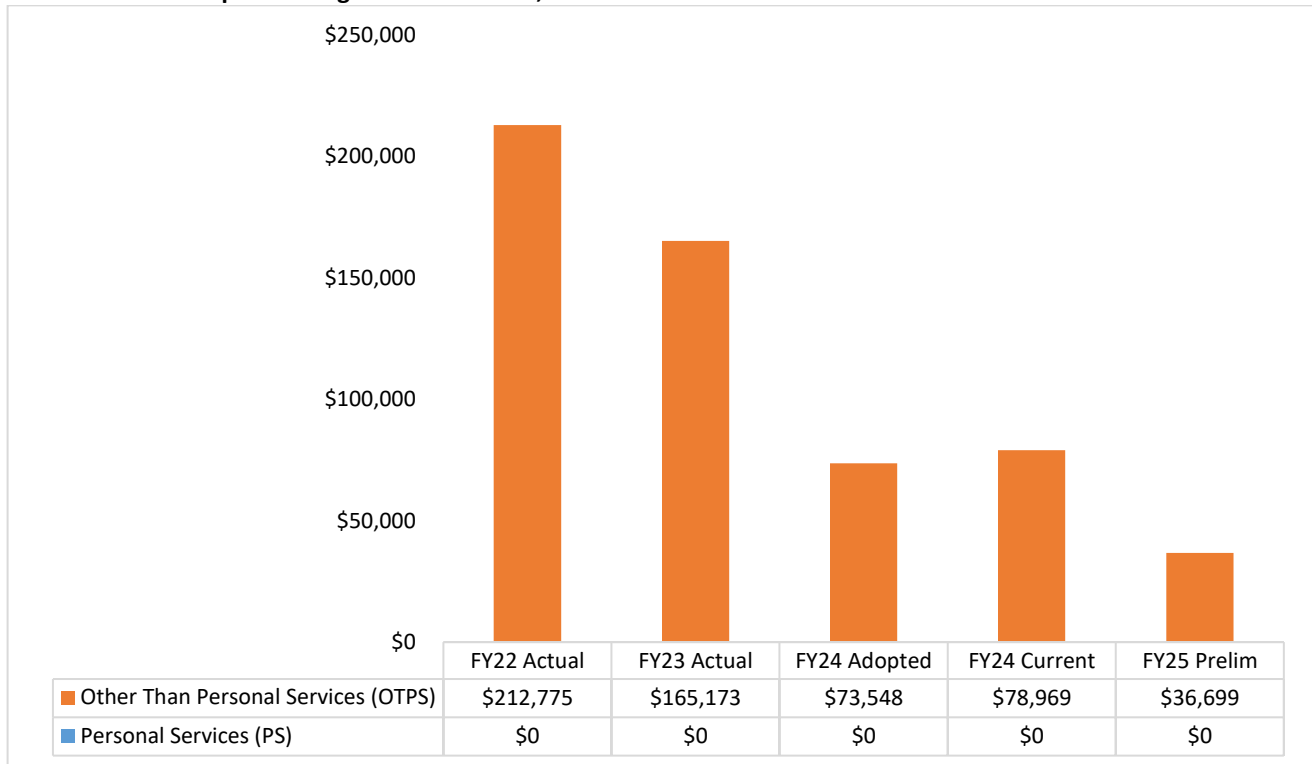
EDC’s budget is not part of the City’s budget, rather City expense budget contributions to EDC flow through the Department of Small Business Services’ (SBS)– which serves as the City’s main fiscal conduit to EDC’s operating budget.



New York City Economic Development Corporation Financial Plan Overview (City Resources Only)

The Department of Small Business Services’ Fiscal 2024 – 2028 Preliminary Financial Plan (Preliminary Plan) includes a budget of \$36.7 million in pass-through funding for EDC in Fiscal 2025, which represents less than a percent of the City’s \$109.4 billion Fiscal 2025 budget. Of the pass-through amount for NYCEDC, Other Than Personal Services (OTPS) funding totals \$36.7 million and includes \$33.7 million for contractual services, the majority of which is allocated for economic development. Pass through funding only supports OTPS spending. Chart 1 presents the breakdown of actual spending in Fiscals 2022 and 2023, the Fiscal 2024 Adopted Budget, and the Fiscals 2024 and 2025 budgets as of the Preliminary Plan.

Chart 1: NYCEDC Expense Budget – PS and OTPS, Dollars in Thousands



Source: New York City Office of Management and Budget

New York City Economic Development Corporation Financial Summary – City Funds Only

The Preliminary Plan includes \$36.7 million for NYCEDC in Fiscal 2025 decreasing to \$28.7 million by the end of the Plan period, an annual average expenditure decrease of 7.3 percent. As shown in Table 1, NYCEDC’s Fiscal 2025 budget is \$36.8 million less than the Fiscal 2024 at adoption.

Table 1: NYCEDC Financial Summary

<i>Dollars in Thousands</i>	FY22	FY23	FY24	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY24	FY25	FY25 - FY24
Budget by Contract Type						
Contractual Services	\$199,733	\$149,721	\$67,566	\$66,665	\$23,270	(\$44,296)
Fixed & Misc. Charges	8,707	10,400	0	0	0	0
Other Services & Changes	4,335	5,051	5,982	12,304	13,429	7,448
TOTAL	\$212,775	\$165,173	\$73,548	\$78,969	\$36,699	(\$36,849)
Funding						
City Funds			\$71,090	\$71,348	\$36,099	(\$34,991)
Federal - Community Development			0	859	0	0
Federal - Other			1,000	1,204	0	(1,000)
Intra City			1,458	5,559	600	(858)
TOTAL	\$212,775	\$165,173	\$73,548	\$78,969	\$36,699	(\$36,849)
Budgeted Headcount						
Full-Time Positions - Civilian	-	-	-	-	-	0
Full-Time Equivalent Positions	-	-	-	-	-	0
TOTAL	-	-	-	-	-	0

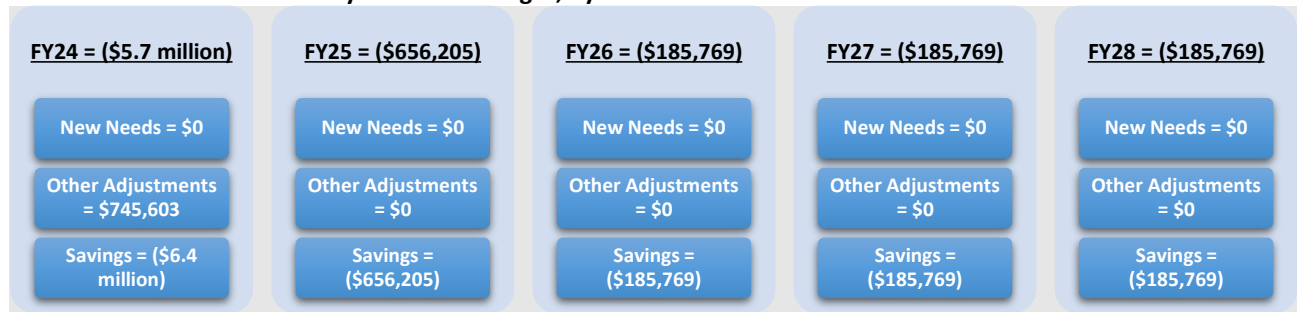
**The difference of Fiscal 2024 Adopted Budget compared to Fiscal 2025 Preliminary Budget.
Source: New York City Office of Management and Budget*

EDC’s Fiscal 2025 budget is funded primarily with City funds (98.4 percent), with a small amount from intra-city funding. This is very similar to EDC’s Fiscal 2024 Adopted Budget funding breakdown, where 96.7 percent of the budget was funded by City funds with the remaining 3.3 percent funded by federal and intra-City funds. Fiscal 2025 Preliminary Budget Changes

Budget actions in the Preliminary Plan decreased NYCEDC’s budget by \$5.7 million in Fiscal 2024 and by \$656,205 in Fiscal 2025 when compared to the November Plan.

Chart 2 provides a summary of NYCEDC’s spending changes from the November Financial Plan to the Preliminary Financial Plan.

Chart 2: Fiscal 2025 Preliminary Plan Net Changes, by Fiscal Year*



**Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings. As some agency PEGs may be revenue actions or savings from non-City sources, this number will not necessarily equal the agency’s PEG value.*

Table 2 presents the sum of the Program to Eliminate the Gap (PEG) savings for each year of the Financial Plan as presented in the November and Preliminary Plans

Table 2: NYCEDC Total Program to Eliminate the Gap (PEG)

<i>Dollars in Thousands</i>	FY24	FY25	FY26	FY27	FY28
November Plan	(\$1,186)	(\$1,814)	(\$1,363)	(\$1,363)	(\$1,363)
Preliminary Plan	(6,397)	(656)	(186)	(186)	(186)
TOTAL PEGs	(\$7,584)	(\$2,471)	(\$1,549)	(\$1,549)	(\$1,549)

Source: New York City Office of Management and Budget

Other Adjustments

- **Staff Time.** The Preliminary Plan includes \$745,603 in other adjustments in Fiscal 2024 related to Federal Community Development Block Grant Disaster Recovery (CDBG-DR) funds that were allocated to EDC to cover staff costs for several CDBG funded programs. Each year, EDC submits logged staff time from the prior year. This adjustment schedules last year’s staff time costs in the budget so EDC may draw down on the grant for reimbursement.

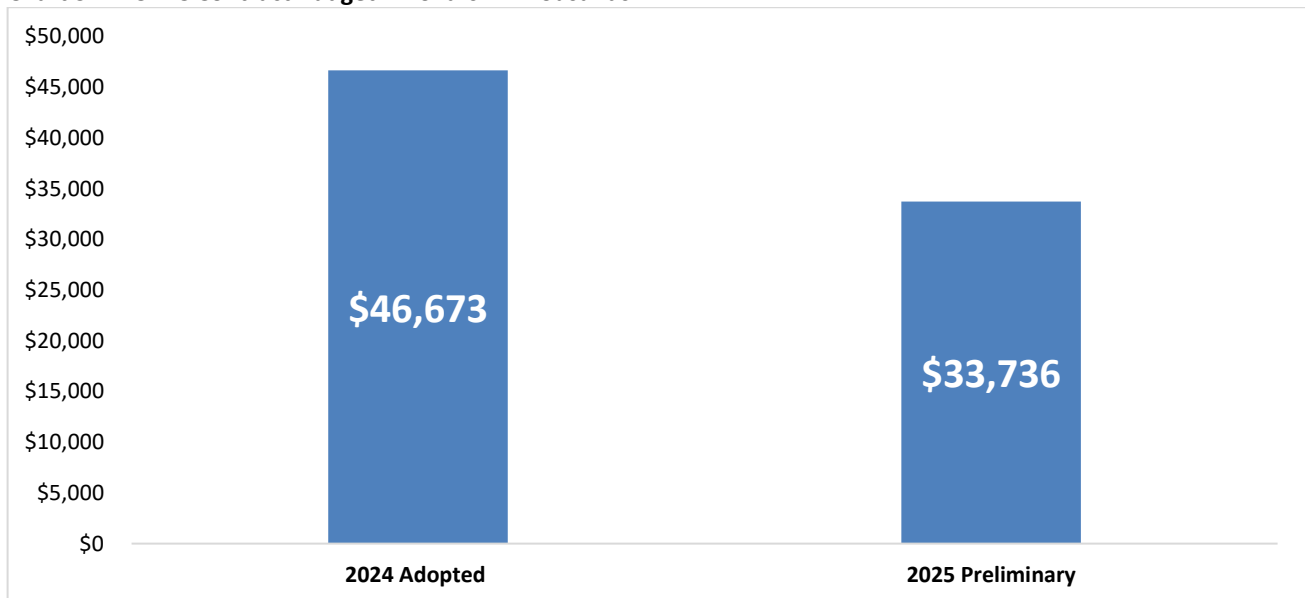
Program to Eliminate the Gap (PEG)

- **Transport Infrastructure.** The Preliminary Plan includes PEG savings of \$6.2 million in Fiscal 2024 only from subsidy reduction related to NYC Ferry and its operating costs. In Fiscal 2022, the City added funds in the out-years of the budget based on forecasts for NYC Ferry and its financial outlook. However, according to current financial projections for NYC Ferry’s operations, EDC has determined that this amount of subsidy is no longer needed for Fiscal 2024.
- **Mayor’s Office of Environmental Remediation Brownfield Fund.** The Preliminary Plan includes baselined PEG savings of \$185,769 starting in Fiscal 2024 from the rightsizing of the Brownfield Fund. The Office of Environmental Remediation’s (OER) budget included a greater amount of grants than have been awarded annually, resulting in underspending of the budget. This PEG is primarily achieved through the reduction of seven grants by \$25,000 each.

New York City Economic Development Corporation Contract Budget (City Funds Only)

The City’s Contract Budget includes all projected expenditures for personal service, technical or consulting contracts. The Contract Budget is a subset of the OTPS portion of the City’s Expense Budget. EDC’s Fiscal 2025 budget in the Preliminary Plan includes three contracts, unchanged from the Fiscal 2024 Adopted Plan. The overall cost of these contracts decreased by \$12.9 million.

Chart 3: NYCEDC Contract Budget – Dollars in Thousands



New York City Economic Development Corporation Miscellaneous Revenue

NYCEDC contributions to the City's general fund consists of contractual obligations associated with the Master Maritime contract, 42nd Street development pilot payments, land sales, and Program to Eliminate the Gap (PEG) requests. Appendix C provides a nine-year breakdown of net revenue generated by NYCEDC and Appendix D provides information on contributions made by NYCEDC to the City's general fund in the same period

Fiscal 2024 Preliminary Mayor's Management Report

The Fiscal 2024 PMMR reports on four service areas and four goals for EDC. The first service area that the PMMR reports on is EDC's ability to ensure businesses, investors, and employees have confidence in New York City. EDC attempts to accomplish this by strengthening business confidence and the City's competitive position to help grow its economy. The second service area covered by the PMMR is EDC's ability to enable equitable growth and development of priority industries. The Department's goals in this area involve advancing projects and programs that foster inclusive innovation and economic growth.

The final two services areas for EDC that the PMMR reports on are the Department's ability to shape, grow, and strengthen neighborhoods where New Yorkers live, learn and work by cultivating dynamic, resilient, livable communities. This is in addition to the EDC's ability to deliver future-forward infrastructure through the development and expansion of sustainable infrastructure across the City.

- **New York City Industrial Development Agency** - The New York City Industrial Development Agency (NYCIDA) supports business growth, relocation, and expansion across the City by lowering the cost of capital investment. NYCIDA closed three transactions during the first four months of Fiscal 2024, which is the same number closed in the same period in Fiscal 2023. The projects are expected to generate almost \$90 million in City tax revenue within the first three years of their respective terms.
- **Minority and Women Owned Businesses** - During the first four months of Fiscal 2024, the MWBE participation rate was 33 percent, while the MWBE award rate was 24 percent. This is a two percent increase in participation from the same period in Fiscal 2023; however, the award rate is down five percent when compared to the same period in Fiscal 2023.
- **Ferries** - Ferries carried over three million riders in the first four months of Fiscal 2024, this is a six percent increase from the same period in Fiscal 2023. In the summer of 2023, NYC Ferry introduced the Rockaway Reserve, a new reservation-based premium-fare service that operated on weekends and holidays from July 1 – September 4, which generated additional revenue at no additional operating costs. As of October 2023, over 10,000 New Yorkers had enrolled in the Ferry Discount Program.

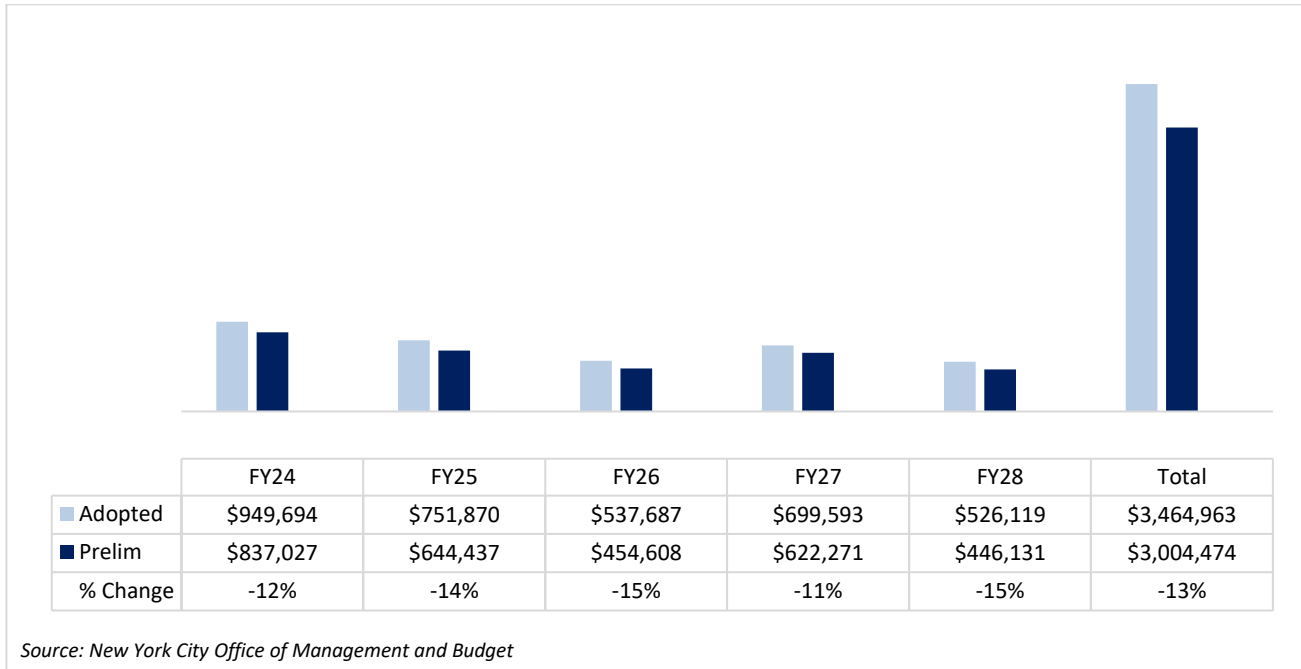
Preliminary Capital Commitment Plan for Fiscal 2024 to Fiscal 2028

The City's Capital Commitment Plan details the Administration's plan to spend the appropriations voted on by the City Council at Adoption. The Commitment Plan provides project-level funding detail and an estimate of expenditure dates. It is through this document that we gain insight into a project's estimated cost, start date and time to completion.

NYCEDC's Preliminary Commitment Plan includes approximately \$3.0 billion in Fiscal 2024-2028. This represents approximately 3.2 percent of the City's total \$88.5 billion Preliminary Commitment Plan.

EDC’s Preliminary Capital Commitment Plan for Fiscal 2024-2028 reflects a decrease of \$460.5 million, or 13.3 percent, from the \$3.46 billion planned in the Fiscal 2024 Adopted Commitment Plan.

Chart 4: NYCEDC Fiscal 2025-2028 Commitment Plan, Dollars in Thousands



Source: New York City Office of Management and Budget

Preliminary Capital Commitment Plan Highlights

Some of the major capital projects in the Preliminary Capital Commitment Plan for Fiscal 2024-2028 are discussed below.

Hunts Point Produce Market

The Hunts Point Terminal Produce Market (Produce Market) is a wholesale produce distribution facility located within the Hunts Point Food Distribution Center in the South Bronx. The market distributes over 2.5 billion pounds of produce a year to New York City and the New York metropolitan region. Produce is sourced from farms in 49 states and transported to the Produce Market via trucks and rail. It is then distributed to restaurants, supermarkets, bodegas and food markets. The existing Produce Market is approximately 700,000 square feet across four primary buildings, with the remaining site area dedicated to truck and rail freight circulation and parking. However, the facility was built in 1967 and is now well beyond its useful life, no longer adequately serving the needs of the Produce Market Cooperative (Cooperative). The main facility and site issues include traffic conflicts and a shortage of parking and queueing areas, non-compliance with the Food and Drug Administration’s new Food Safety Modernization Act, and inadequate refrigerated warehouse capacity – which has resulted in the need for 1,000 refrigerated trailer units (TRUs) running 24/7 onsite as additional storage, adding diesel emissions and inhibiting efficient business operations. The redevelopment of the Produce Market will provide a facility that will serve not only the current needs of the Cooperative but will adapt for future growth as well. The Preliminary Plan includes \$30.0 million across the Plan period for this project in Fiscal 2024 – 2028, unchanged from the Fiscal 2024 Adopted Plan.

Offshore Wind - In 2021, the City committed to invest \$191.0 million for the development of offshore wind (OSW) projects over 15 years. In addition, this investment would allow the City to export innovative technologies and processes to advance OSW projects around the world. In Sunset Park, Brooklyn, NYCEDC and its partners have collaborated to activate the South Brooklyn Marine Terminal (SBMT) into an OSW port, to be operated by Equinor. Additionally, in December 2022 NYCEDC announced the conditional designation of NorthPoint development to establish offshore wind-related manufacturing at the City-owned Rossville Municipal site and adjacent 200-acres+ of private waterfront property. The Fiscal 2024 Adopted Plan included \$110 million of commitments for this project for 2024 - 2028; however, in the Fiscal 2025 Preliminary Plan this funding was moved to 2029 – 2033. The Commitment Plan still includes \$120 million for the development of the OSW projects, albeit in the last years of the plan period. The Preliminary Plan still includes \$2.3 million in Fiscal 2024 and \$7.7 million in Fiscal 2025.

Inwood Greenway - In the April 2021 Executive Budget, then Mayor de Blasio announced a plan to complete the 32.5-mile waterfront greenway circumnavigating Manhattan by the end of the decade. As part of this announcement, funding was allocated to close one of the largest gaps in the greenway network in the Inwood neighborhood of upper Manhattan. NYCEDC is currently managing the design and construction of two new waterfront open spaces at North Cove (near 208th Street and 9th Avenue) and Academy Street under a separate contract. The scope of this project includes the design and construction of the Greenway, between the future Academy Street and North Cove open spaces, on all City-owned property and waterfront properties with a public access agreement. The Commitment Plan includes \$242.0 million for this project, with \$17.5 million allocated in Fiscal 2024-2028 and \$224 million in Fiscals 2029-2033 of which, \$205 million in Fiscal 2029.

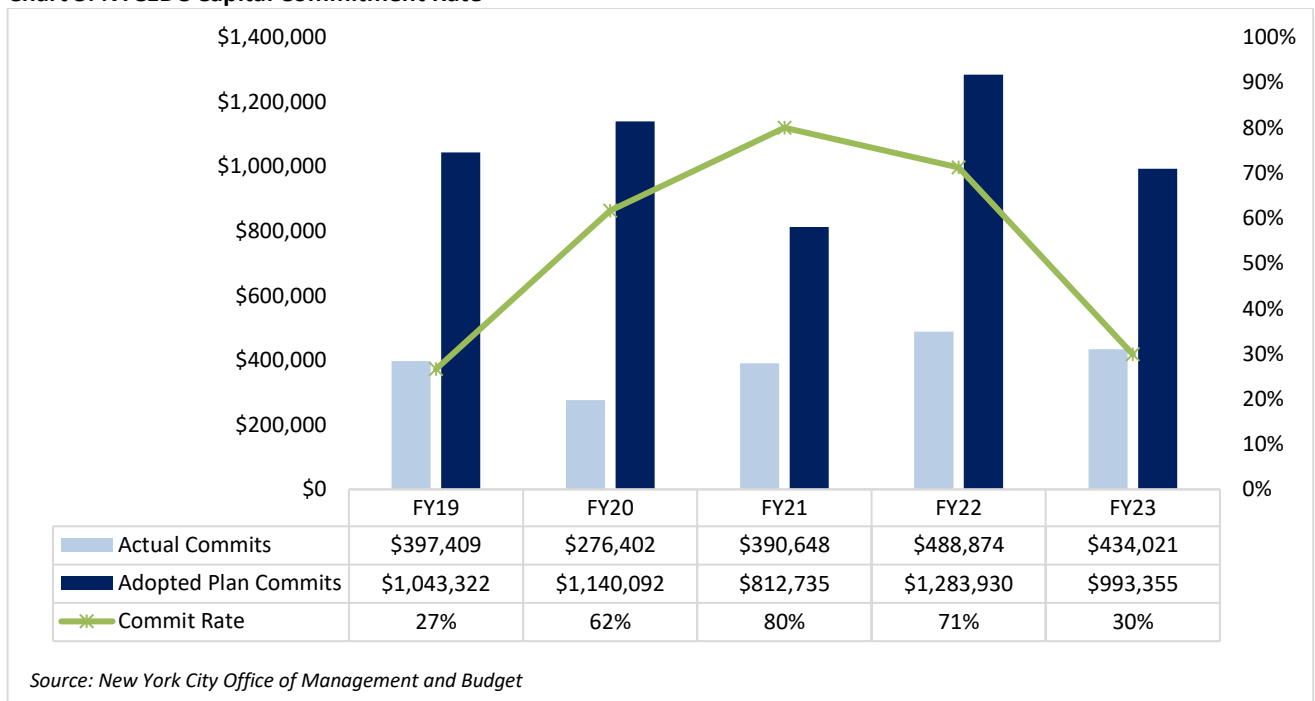
Willets Point Phase 2- the Willets Point Development Plan (“the Plan”) is a redevelopment effort aimed at transforming and revitalizing the Willets Point neighborhood in Queens. The City issued a request for proposals for developers in 2011 and, in response to the competitive process, in 2012 selected Queens Development Group, LLC (“QDG”) to remediate Willets Point, install on-site and off-site infrastructure, and develop a mixed-use community (collectively, the “Project”). Expanding on the goals and objectives of the Plan, the Project will activate significant acreage adjacent to Citi Field to create a contiguous link between Flushing and Corona, unifying the district, cleaning up toxic pollution, and providing utilities and infrastructure it currently lacks. The Project will also increase the site’s storm capacity, which allows for greater resiliency, and create a stronger, more secure water source for the greater Queens area. In 2017, QDG’s original plan for Phase 1 was struck down by the Court of Appeals, and in 2018, the City and QDG announced the plan to move forward with a 100 percent affordable Phase 1 project, including 1,100 units of affordable housing, retail, community facility space, open space, and a school. Phase 2 of the project will bring the total affordable housing units to 2,500 and will include a hotel and a stadium for the New York City Football Club. The Preliminary Capital Plan includes \$272.76 million for this project, all of which is planned in Fiscal 2024 – 2028.

New Stapleton Waterfront - The City is redeveloping the 35-acre decommissioned U.S. Navy Homeport on the north shore of Staten Island into a new, mixed-use residential community to support the Housing New York Plan. The New Stapleton Waterfront development will activate and reconnect an underutilized waterfront as well as create the opportunity for new affordable housing units through new development opportunities, retail, and significant investment in public infrastructure. The project is being implemented in phases with Phase 1 and a portion of Phase 2 complete and open to the public. In continuation of Phase 1, Phases 2 and 3 will further expand waterfront access to the

Stapleton community and unlock near-term private investment in new mixed-use development at the Homeport, including significant affordable housing. Phase 2 (aka Southern Phase) and Phase 3 (aka Northern Phase) of the Project will also consist of demolition of existing structures, rehabilitation of the shoreline edge, new roadway and infrastructure improvements, and new waterfront open space. When complete, the New Stapleton Waterfront community will include mixed income housing, retail, and approximately 12 acres of public open space along the waterfront NYCEDC will be awarding construction contracts for the demolition package and the Northern Phase Infrastructure package in spring 2023. The Capital Commitment Plan includes \$138.3 million for this project in the Preliminary Plan which is unchanged when compared to the Fiscal 2024 Adopted Plan.

Chart 5 displays EDC’s capital commitment plan as of adoption in each year from Fiscal 2019 through Fiscal 2023 and the actual commitments in the corresponding fiscal year. The chart also shows the capital commitment rate: the percentage of the capital plan committed per fiscal year. EDC committed 80 percent of its planned commitments in Fiscal 2021, but this rate declined to 30 percent by Fiscal 2023.

Chart 5: NYCEDC Capital Commitment Rate



Investment Projects

The NYCEDC provides financial assistance in the form of tax breaks and low-cost bonds to firms and non-profits throughout the City on a discretionary basis. Pursuant to Local Law 62 of 2013, the NYCEDC issues an Annual Investment Projects Report each year on all such projects receiving financial assistance.¹ This section provides an overview on these projects with special focus on new projects that began in Fiscal 2023, the most recent year where data is available.

¹ New York City Administrative Code §22-823. Reporting requirements were originally established by Local Law 48 of 2005 and were last updated in 2013. All reports are accessible through NYCEDC’s website: <https://www.nycedc.com/about-nycedc/financial-public-documents>

In Fiscal 2023, direct discretionary financial assistance from the NYCEDC totaled \$257.2 million across 449 new and ongoing investment projects, an increase of \$31.7 million from the \$225.6 million in the prior year.² Of these 449 active projects, 21 were new in Fiscal 2023, while financial assistance for 28 projects reached the end of their agreement terms. The total sum of aid is a small portion, about 8 percent, of the \$3.1 billion in total City economic development tax breaks.³ However, most of those tax breaks are provided as-of-right⁴, while the investment projects are provided on a discretionary basis.

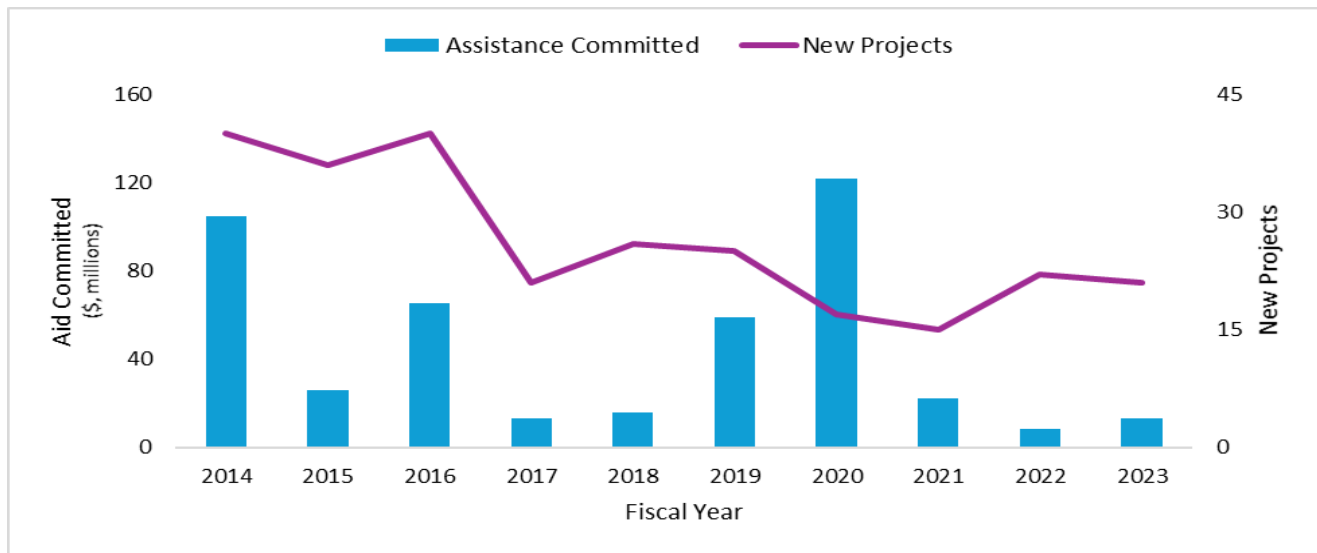
This aid is often, but not always bundled with other indirect or non-financial forms of aid such as advisory assistance, the costs of which are not tabulated here. Additionally, projects receive aid for an average of 25 years,⁵ therefore the annual assistance from NYCEDC projects mostly accrues from projects that started years or decades ago.

Fiscal 2023 New Investment Projects

Of the 21 new projects beginning in Fiscal 2023, thirteen were educational and social service-related projects including several charter schools; three were related to improving the City’s ability to transition to cleaner forms of energy, and the rest were spread across various sectors including grocery stores. A list of all new projects this year, with the associated council district and industry, is presented in Appendix E.

A total of \$11.9 million in aid was committed to these 21 new projects in Fiscal 2023 compared to \$8.4 million in Fiscal 2022. Out of the \$11.9 million in new aid committed, \$5.6 million represents Fiscal 2023 costs, mostly in the form of mortgage recording tax exemptions. The remaining \$6.3 million in aid represents the present value of future year tax expenditures. This aid is mostly in the form of tax-exempt bonds issued through Build NYC.

Chart 6: Annual New Projects and Aid Committed, Fiscal 2014 - 2023



Source: NYCEDC, Local Law 62 Reports, FY14 through FY23

² NYCEDC, *Annual Investment Projects Report, FY 2023 and FY2022* and Council Finance analysis of associated spreadsheet.

³ Finance Division calculation based on Department of Finance, *Annual Report on Tax Expenditures, Fiscal 2024*.

⁴ As-of-right refers to tax breaks that are provide automatically by the City as long as a recipient meets the eligibility criteria.

⁵ Length of aid ranges from five to 86 years for projects currently receiving aid. 70 percent of projects receive aid for between 20 and 30 years. Some active projects began in the 1980s or early 90s.

Durations for new projects are close to NYCEDC's norm, with 17 of the 21 set to receive aid for between 25 and 30 years. The NYCEDC notes in their report that they have been directing the majority of the investments towards boroughs other than Manhattan, but 31 percent of aid committed in Fiscal 2023 still went to projects in Manhattan. The breakdown of aid for new projects across the boroughs and by major benefit type is shown in Tables 3 and 4.

Table 3: Fiscal 2023 Assistance by Borough**Table 4: Fiscal 2023 Investment Projects by Type**

Borough	Total Projects	Total Aid (\$millions)	Project Type	Total Projects	Total Aid (\$millions)
Bronx	7	\$4.2	Build NYC Revenue Bond	13	\$7.6
Brooklyn	6	3.1	Commercial Project	0	-
Manhattan	6	2.7	FRESH	2	0.1
Queens	3	1.9	Industrial Incentive	5	4.3
Staten Island	0	0	New Markets Tax Credits	1	-
Total	21	\$11.9	Total	21	\$11.9

Source: NYCEDC Local Law 62 Report, Fiscal 2023

Totals may not sum due to rounding. Total aid in these tables, as elsewhere in this section, reflects aid already granted plus the present value of future aid that's already committed discounted at 6.25 percent.

Projects in Manhattan received \$4.2 million, \$1.7 million of which was for East Harlem Scholars Academy Charter School to acquire land and construct a 70,000 square foot building at 2017 1st Avenue.⁶ This project was the largest by cost of all new projects in Fiscal 2023.

Of the three new projects in Queens, two are for energy storage facilities that will help the shift to large-scale renewable energy generation. These are projects with Soltage (project name: "55 Drive BESS LLC") at total subsidy of \$817,000 and Microgrid Networks (MGN) at 55-77 Rust Street at total subsidy of \$769,000. MGN also received a \$788,000 subsidy for another energy storage facility in Brooklyn.

Projects in the Bronx in Fiscal 2023 total \$4.1 million or 31 percent of aid committed. About a third of funding will be for KIPP NYC - Canal West a facility to serve a total of 2,800 high school students in New York City, offering it the opportunity to increase its lottery acceptance and positively impact the lives of more predominately Bronx-based children.⁷ About a quarter of the aid committed to the Bronx is for Gabrielli Truck Sales, Ltd, which will be used for the acquisition and construction of a 40,000 square foot facility located on a 173,844 square foot parcel of land located at 2370 Hollers Avenue, Bronx, New York.⁸

⁶ NYCEDC: East Harlem Center, LLC ("EHC") and East Harlem Scholars HS LLC; September 15th, 2022 <https://edc.nyc/sites/default/files/2022-09/East%20Harlem%20PHP.pdf>

⁷ NYCEDC: KIPP NYC - Canal West; https://edc.nyc/sites/default/files/2022-11/Canal%20West%2075%2C%20LLC_PHP_0.pdf

⁸ NYCEDC: Gabrielli Truck Sales, Ltd; <https://edc.nyc/sites/default/files/2022-02/Gabrielli%202022%20PHP.pdf>

Overall, this year has not been atypical in the amount and value of new project aid. However, at times there can be significant variations in assistance committed in each fiscal year. Fiscal 2020, for example, included 17 new projects, relatively close to the annual average, however, the total aid committed was \$121.5 million, much higher than the average. This 70 percent increase in the value of new benefits stemmed from one major project, the creation of a Life Sciences Campus in Manhattan⁹ that received \$86.2 million in tax breaks.

All Active Projects

The 21 new projects noted above comprise less than 5 percent of the active projects administered by NYCEDC entities. As mentioned above, total aid for new Fiscal 2023 projects amounted to \$11.9 million of the roughly \$6.6 billion in total assistance for all existing discretionary projects. The breakdown of assistance across all new and ongoing projects is shown above.

Table 5: Total Assistance Provided by Borough (Dollars in Millions)

Borough	Total Projects	Assistance in FY23	Total Assistance Over Project Lifetime
Bronx	78	\$47.0	\$1,269.7
Brooklyn	115	12.5	663.2
Manhattan	114	96.6	2,204.1
Queens	118	100.1	2,471.3
Staten Island	24	1.0	36.7
Total	449	\$257.3	\$6,645.0

Source: NYCEDC Local Law 62 Report, Fiscal 2023

Totals may not sum due to rounding. Dollars in millions. Total assistance over lifetime calculated using a discount of 6.25% for projects after FY06, and 7.75% for those prior.

The NYCEDC sometimes cancels aid or charges interest or penalties to non-performing investment projects. Of the 449 active investment projects, only 16 have been subject to aid recapture, with \$33.4 million recouped in Fiscal 2023.¹⁰

The NYCEDC also provides estimates for the economic benefits of these projects, and states that these active investment projects accounted for 4.2 percent of total private employment in the city and \$37.1 billion in private investment in Fiscal 2023. These numbers are based on assumptions that no firm receiving NYCEDC subsidies would have invested in the City but for the incentive, and no comparable project would have proceeded in its place. They also include multiplier effects, estimating indirect impacts of each project on the City's economy. In addition, there are 35 land sales. These sales account for \$456.2 million in Fiscal 2023 while total rent in Fiscal 2023 from 94 leases was \$187.9 million.

Additional information on all active projects, such as assistance amount by the NYCEDC program, information about the percent of aid-supported projects providing health benefits, and the percent of employees of aid-supported projects living in the city, are included in the Appendix G.

⁹ NYCEDC and Deerfield Management Partner to Create a Life Sciences Campus: <https://edc.nyc/press-release/nycedc-and-deerfield-management-partner-create-life-sciences-campus-matter-create>

¹⁰ Total aid amounts discussed above are net of recaptured aid.

Budget Issues and Concerns

- **NYCEDC Ferries** – Recently, it was reported that the company that operates the NYC Ferry, Hornblower Group, has filed for bankruptcy. One of its investors agreed to acquire the company. Just last year the provider renewed its contract with EDC, for \$405 million over the next five years with optional three-year contract extensions. Hornblower reports that service will not be affected. A 2021 audit put the total taxpayer subsidy for ferry rides at \$12.88 per ride, nearly double the City’s previous estimate. Considering the substantial City subsidy involved in operating the NYC Ferry program, financial instability with the vendor is a budget concern for the Council.
- **Capital Program** - The capital section of NYCEDC’s portfolio is 13.0 percent less in the Preliminary Plan when compared to the Fiscal 2024 Adopted Plan. Coupled with the low commitment rate in Fiscal 2023, EDC could experience further significant reductions in capital commitments.
- **MWBE** - Rates of MWBE participation in the first four months of Fiscal 2024 was up two percent when compared to Fiscal 2023, however, the award rate dropped by 5.0 percent. It is noteworthy that a greater number of MWBEs are participating in these programs, yet fewer awards have been granted. Increasing the rate of awards to MWBE firms is a critical part of achieving equity in the City’s procurement process and has additional economic development benefits.

A. Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY24			FY25		
	City	Non-City	Total	City	Non-City	Total
AGENCY Budget as of the Adopted FY24 Budget	\$225,544	\$58,003	\$283,547	\$146,400	\$43,985	\$190,385
Changes Introduced in the November Plan						
Programs to Eliminate the Gap (PEGs)						
2X Tech Program	(\$242)	\$0	(\$242)	(\$281)	\$0	(\$281)
Cannabis Industry	(250)	0	(250)	(75)	0	(75)
Commercial Lease Assistance	(200)	0	(200)	(200)	0	(200)
Commercial Lease Assistance	0	0	0	0	0	0
Disability Plan Program	(56)	0	(56)	0	0	0
EDC Advanced Solar Re-estimate	0	0	0	(27)	0	(27)
EDC Program Efficiencies	0	0	0	0	0	0
EDC/MOCEJ GreeNYC Re-estimate	(1,000)	0	(1,000)	(1,000)	0	(1,000)
Expand Stipends	(750)	0	(750)	(500)	0	(500)
Faith Center	(8)	0	(8)	(8)	0	(8)
Gowanus Rezoning Grants	(200)	0	(200)	0	0	0
Hospital Loan Fund Re-estimate	0	0	0	(592)	0	(592)
MOER Brownfield Fund Efficiency	(186)	0	(186)	(196)	0	(196)
MWBE Disparity Study	(400)	0	(400)	0	0	0
Neighborhood 360	(1,000)	0	(1,000)	0	0	0
NYCT+C Contract Savings	(1,068)	0	(1,068)	(968)	0	(968)
PS Savings	(284)	0	(284)	0	0	0
PS Savings	(72)	0	(72)	0	0	0
PS Savings	(631)	0	(631)	0	0	0
Street Vendors Re-estimates	(210)	0	(210)	0	0	0
TGI Expense Efficiencies	(501)	0	(501)	(862)	0	(862)
Waterfront and Dockmaster	(250)	0	(250)	(125)	0	(125)
Workforce One Career Centers	0	0	0	(1834)	0	(1,834)
Subtotal, PEGs	(\$7,307)	\$0	(\$7,307)	(\$6,666)	\$0	(\$6,666)
Other Adjustments						
ARP-SLFRF Adjustment	\$11,311	(\$11,311)	\$0	\$0	\$0	\$0
Buyers L300 CB Funding	18	0	18	18	0	18
CWA L1180 CB Funding	320	0	320	317	0	317
Hospital Loan Fund Adjustment	6,236	0	6,236	(6,236)	0	(6,236)
Intra-City Adjustment	607	0	607	0	0	0
OEO Funding Adjustment	425	0	425	0	0	0
Workforce Enhancement	(8)	0	(8)	(17)	0	(17)
FY24 CDBG Rollover Increase	0	67	67	0	0	0
EPA Climate Pollution Study	0	1,000	1,000	0	0	0
ERNDWG Increase FY24	0	1,485	1,485	0	0	0
FY24 CR22 Dec - ARPA Ave NYC	0	(33)	(33)	0	0	0
FY24 ER-NDWG Rollover Increase	0	830	830	0	0	0
FY24 PTAC Rollover Increase	0	66	66	0	0	0
FY24 RR NYC HFA Grant	0	1,092	1,092	0	0	0
FY24 TAA Rollover Increase	0	591	591	0	0	0
MOER FY24 Funding	0	204	204	0	0	0
Energy Personnel	0	87	87	0	0	0
ExCel Program	0	2,856	2,856	0	0	0
Funding for IRPAC	0	50	50	0	0	0
IC EDC- Battery Wharf Interim	0	707	707	0	0	0
NYC&Co MOME-SBS-FY24	0	2000	2000	0	0	0
PINCC - EDA for IC SBS	0	962	962	0	962	962
Smart City - OTI EDC-FY24	0	250	250	0	0	0
Subtotal, Other Adjustments	\$18,909	\$901	\$19,810	(\$5,919)	\$962	(\$4,957)
TOTAL, All Changes in November Plan	\$11,601	\$901	\$12,503	(\$12,585)	\$962	(\$11,623)
SBS Budget as of the November Plan	\$237,145	\$58,904	\$296,050	\$133,815	\$44,947	\$178,762

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Dollars in Thousands	FY24			FY25		
	City	Non-City	Total	City	Non-City	Total
Changes Introduced in the Preliminary Plan						
New Needs						
Construction Mentorship	\$5,300	\$0	\$5,300	\$0	\$0	\$0
Subtotal, New Needs	\$5,300	0	\$5,300	0	0	0
Programs to Eliminate the Gap (PEGs)						
Business Programs Savings	(\$2,452)	\$0	(\$2,452)	(\$591)	\$0	(\$591)
Contract Savings	(1,014)	0	(1,014)	(919)	0	(919)
CUNY 2x Tech	(187)	0	(187)	0	0	0
EDC Advanced Solar	0	0	0	(30)	0	(30)
EDC Hospital Loan Fund	0	0	0	(440)	0	(440)
EDC Transport Infrastructure	(6,221)	0	(6,221)	0	0	0
MOER Brownfield Fund	(177)	0	(177)	(186)	0	(186)
MOTWD PS Savings	(133)	0	(133)	0	0	0
MWBE Program Savings	(950)	0	(950)	0	0	0
PS Savings	(400)	0	(400)	0	0	0
Talent Portal	0	0	0	0	0	0
TGI Ferry Service	0	0	0	(254)	0	(254)
TGI Winter Village	0	0	0	(126)	0	(126)
Workforce Programs Savings	(3,094)	0	(3,094)	(2,777)	0	(2,777)
Subtotal, PEGs	(\$14,628)	\$0	(\$14,628)	(\$5,323)	\$0	(\$5,323)
Other Adjustments						
23EDC-Stafftime	\$0	\$746	\$746	\$0	\$0	\$0
City Council Member Items	47	0	47	0	0	0
FY23-Stafftime ADJ	0	113	113	0	0	0
MOME-SBS NYC & Co - FY24	0	(1,000)	(1,000)	0	0	0
ONL Adjustment OTPS	110	0	110	110	0	110
ONL Adjustment PS	267	0	267	376	0	376
RCM Projects	0	151	151	0	0	0
SBS NYC&Co Savings	0	(250)	(250)	0	0	0
WIOA Realignment	0	43,644	43,644	0	0	0
Subtotal, Other Adjustments	\$424	\$43,403	\$43,828	\$486	\$0	\$486
TOTAL, All Changes in the Preliminary Plan	(\$8,903)	\$43,403	\$34,500	(\$4,837)	\$0	(\$4,837)
SBS Budget as of the Preliminary Plan	\$228,242	\$102,308	\$330,550	\$128,978	\$44,947	\$173,925

Source: New York City Office of Management and Budget

B. Contract Budget

FY25 Preliminary Contract Budget				
Dollars in Thousands				
Category	FY24 Adopted	Number of Contracts	FY25 Preliminary	Number of Contracts
Economic Development	\$46,673	3	\$33,736	3
TOTAL	\$46,673	3	\$33,736	3

Source: New York City Office of Management and Budget

C. Net Revenue Generated Post Contributions to General Fund

Fiscal Year	Amount
2015	(\$25) million
2016	\$100 million
2017	\$9 million
2018	\$14 million
2019	(\$51) million
2020	(\$83) million
2021	(\$26) million
2022	\$96 million
2023	\$32.5 million

D. Revenue Contributed by NYCEDC to the General Fund

<i>Dollars in Millions</i>	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Contributions	\$95	\$97	\$42	\$30	\$58	\$28	\$29	\$27	\$28
Other Support	\$0	\$1	\$30	\$44	\$53	\$53	\$33	\$45	\$41
Total	\$95	\$98	\$72	\$74	\$111	\$81	\$62	\$72	\$69

E. All New Investment Projects in Fiscal 2023, with Council District and Industry

Project Names	Total Savings over Lifetime of Project in (thousands)	Total # of Jobs Total	Council District	Industry Classification
50 Penn Retail Owner LLC	\$67.6	27	37	Supermarket
55 Drive BESS LLC	\$817.1	0	30	Energy Construction
625 Bolton LLC	\$849.8	100	18	Educational
Bensonhurst Energy Storage 1, LLC	\$528.1	0	45	Energy Construction
East Harlem Scholars Academy Charter School	\$1,701.2	109	8	Educational
FOCCS 757 Concourse Village, LLC	\$692.1	314	16	Educational
FOGCCS 218 West 147th Street, LLC	\$491.4	19	9	Educational
Gabrielli Truck Sales, Ltd. (Hollers Avenue) 2022	\$1,179.1	0	12	Manufacturer
Global Wood Distributors Inc.	\$179.5	11	38	Related to Real Estate
GSNY Properties, Inc.	\$276.5	80	6	Related to Real Estate
KIPP NYC - Canal West	\$1,373.1	42	8	Educational
Little Red School House and Elisabeth Irwin High School Inc.	\$237.8	154	3	Educational
Loyola School	\$11.0	114	4	Educational
MGN 1074 Grand Street LLC	\$787.5	8	34	Energy Construction
MGN 57-77 Rust Street, LLC	\$768.7	8	30	Energy Construction
New York Common Pantry, Inc.	\$153.0	39	17	Supermarket
St. Ann's Meat Corp.	\$0.0	10	8	Related to Real Estate
Urban Assembly Charter School	\$0.0	41	8	Health
Voices of Community Activists & Leaders, Inc.	\$241.1	54	6	Educational
Yeshiva Har Torah (2023)	\$303.3	0	23	Educational
Yeshivah of Flatbush (2022)	\$1,285.3	0	44	Educational

F. Fiscal 2023 Active Investment Projects by Program Type

Program Name	Number of Projects	Average Assistance Per Project Over Project Lifetime ¹¹ (Dollars in Thousands)	Total Assistance Over All Projects Lifetime (Dollars in Thousands)
Applied Sciences NYC	4	340	1,359
BIR Energy Incentive	0	0	0
Build NYC Revenue Bond	126	796	100,346
Build NYC Tax-Exempt Promissory Note	20	679	13,571
Commercial Growth Project	10	90,113	901,133
Commercial Project	25	174,843	4,371,063
EDC Loan	8	0	0
Empowerment Zone Facility Bond	1	135	135
Exempt Facilities Bond	2	4,175	8,350
FRESH	27	2,908	78,516
Industrial Developer Fund	0	0	0
Industrial Incentive	185	6,026	1,114,810
Liberty Bond	1	358	358
Manufacturing Facilities Bond	8	4,475	35,802
New Markets Tax Credits Program	8	0	0
Not For Profit Bond	13	1,402	18,227
Pooled Bond	9	150	1,351
Recovery Zone Facility Bond	2	0	0

G. Share of Active Investment Projects that Provide Health Benefits and Share of Employees Living in NYC

Fiscal	Projects	Total Lifetime Cost (Thousands)	FY23 Cost (Thousands)	(%) Employee Living in NYC	(%) Health Insurance Full Time
1989	1	\$184,007.3	\$12,275.3	54.9%	100.0%
1990	1	\$377,682.2	\$507.8	62.7%	100.0%
1996	1	\$293.8	\$0.8	77.6%	100.0%
1997	2	\$12,519.4	\$0.0	0.0%	0.0%
1998	7	\$31,598.8	\$236.1	31.9%	42.9%
1999	13	\$80,745.0	\$1,162.9	67.8%	92.3%
2000	15	\$63,880.6	\$1,025.9	83.6%	86.7%
2001	12	\$155,206.1	\$4,074.5	71.8%	91.7%
2002	17	\$147,108.6	\$2,367.5	71.4%	82.4%
2003	6	\$84,282.7	\$301.5	62.9%	100.0%
2004	10	\$22,323.7	\$807.9	65.8%	80.0%
2005	19	\$180,457.4	\$3,544.6	70.0%	78.9%

¹¹ Net of penalties and interest paid back to EDC or IDA, with future dollars discounted at EDC's chosen rate of 7.75%. Note the present value amounts will be lower than the dollar amounts, and that these numbers reflect EDC's methods of combing dollar amounts with present value amounts. Negative numbers indicate a higher amount was recouped as penalties than granted as aid.

Fiscal	Projects	Total Lifetime Cost (Thousands)	FY23 Cost (Thousands)	(%) Employee Living in NYC	(%) Health Insurance Full Time
2006	8	\$12,947.7	\$443.6	38.8%	62.5%
2007	19	\$2,835,861.7	\$114,949.9	70.2%	84.2%
2008	18	\$36,091.5	\$1,099.8	77.1%	83.3%
2009	5	\$9,216.3	\$328.9	80.9%	60.0%
2010	4	\$10,178.0	\$422.0	72.5%	75.0%
2011	5	\$30,020.9	\$1,204.2	97.8%	100.0%
2012	16	\$60,286.9	\$2,966.9	50.7%	56.3%
2013	33	\$355,181.5	\$15,364.4	62.0%	72.7%
2014	29	\$462,923.8	\$19,327.0	73.0%	89.7%
2015	31	\$418,424.0	\$20,036.4	61.6%	80.6%
2016	36	\$144,406.1	\$4,441.9	65.1%	80.6%
2017	19	\$22,652.4	\$941.5	66.3%	89.5%
2018	23	\$235,117.3	\$12,255.6	71.6%	78.3%
2019	23	\$455,861.8	\$22,371.5	52.2%	82.6%
2020	16	\$151,082.1	\$6,568.5	53.4%	81.3%
2021	17	\$33,740.6	\$1,467.3	64.8%	88.2%
2022	22	\$19,166.7	\$1,185.7	45.7%	63.6%
2023	21	\$11,943.1	\$5,596.7	46.8%	81.0%
Grand Total	449	\$6,645,207.9	\$257,276.8	62.4%	79.7%