

NEW YORK CITY REGIONAL ECONOMIC DEVELOPMENT COUNCIL
2014 PROGRESS REPORT



Presentation to the
NYS Strategic Implementation Assessment Team
September 15, 2014





Strategy for Economic Growth & Inclusion



- Leverage the region's assets through collective action on the part of business, labor, government and nonprofit institutions
 - NYC economy (\$738 billion GDP) is the world's largest city economy but 21.2% of residents live in poverty; the benefits of economic growth must be extended to all communities.
- Coordinate economic development with investments in housing, infrastructure and community facilities as well as education and job training
- Prioritize investment in projects that create good jobs with upward mobility and reinforce fast growing sectors of the economy



Accomplishments — Implementation



- New models for community-based economic development at the Brooklyn Navy Yard, Taystee Building, Brooklyn Army Terminal, and Queens Tech Incubator
- Resiliency and sustainability are baked into NYC economic development strategies on Staten Island's North Shore, the Wetlands Mitigation Bank, Urban Electric Power and the REDC Brownfield Cleanup and Development Grant project
- Inter-regional cooperation is illustrated by NY Genome Center partnership with SUNY Buffalo
- Job training and hiring of residents from low income communities has been incorporated into priority projects



Accomplishments — Engagement



- Public engagement: Council meetings & public forums
- Work groups: Workforce Development, Global NY & Veterans
- Outreach: Meetings with Long Island and Mid-Hudson Valley REDCs
- Performance measures: Interim reports from project sponsors & reports at public meetings



CFA Projects Rounds I-III — Progress

2011–2013 CFA Projects

	2011	2012	2013
Total Number of CFA-funded Projects	50	50	60
Contracts for Funding Sent to Applicants	47	47	41
Contracts Executed	47	44	29
Projects Started	47	38	32
Projected Completion Through CY2013	21	8	0
Projected Completion Through CY2014	13	17	14
Projected Completion Through CY2015	9	7	13
Projected Completion Through CY2016 or beyond	5	15	32
Total CFA Award Amount	\$66.2M	\$51.3M	\$57.4M
Expected Total Project Value	\$741.9M	\$620.5M	\$574.3M

- Created or retained 14,500 permanent jobs
- Leveraged investment of more than \$1.9 billion



Priority Projects I-III — Selected Project Updates



- Brooklyn Navy Yard Green Manufacturing Center (2011)
- Taystee Building (2011)
- New York Genome Center (2012)
- Steiner Studios (2012)
- New York City Wetlands Mitigation Bank (2012)
- Sandy Hook Pilots' Association (2013)
- Empire Outlets (2013)



2014 Regional Priorities



- Develop Global NY Export & Marketing Strategy
- Collaborate with Local Government
- Support NY Rising Community Reconstruction Plan Projects
- Implement the Opportunity Agenda through Workforce Development
- Promote Veterans' Participation in the Workforce
- Keep the Project Pipeline Flowing



2014 Regional Priority — Global NY Export & Marketing Strategy



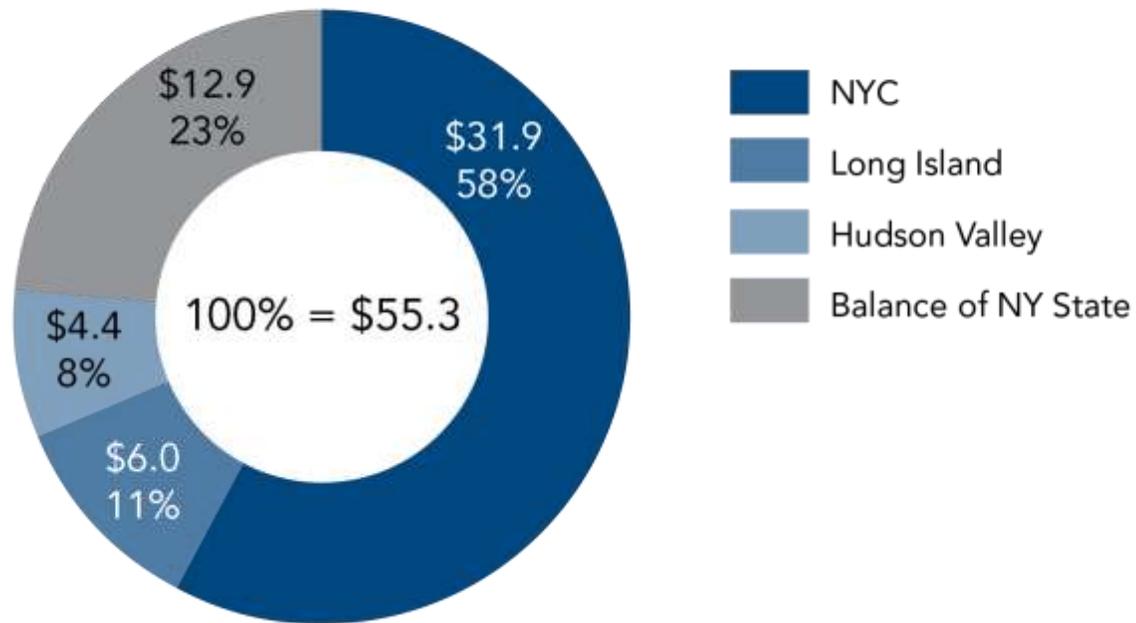
Opportunity for growth:

- Small relative share
 - NYC makes up 4.3% of U.S. GDP but only 1.8% of total exports, and 0.4% of goods exports.
- Untapped market potential
 - NYC's export growth slowed since recession, growing at an annual average rate of 3% after growing at 9% from 2003-2008.
 - Nearly 95% of consumers live outside the nation's borders, yet only 1% of American firms sell to this base.
- Source for good jobs
 - For every \$1 billion of additional export activity, 5,400 jobs are created.

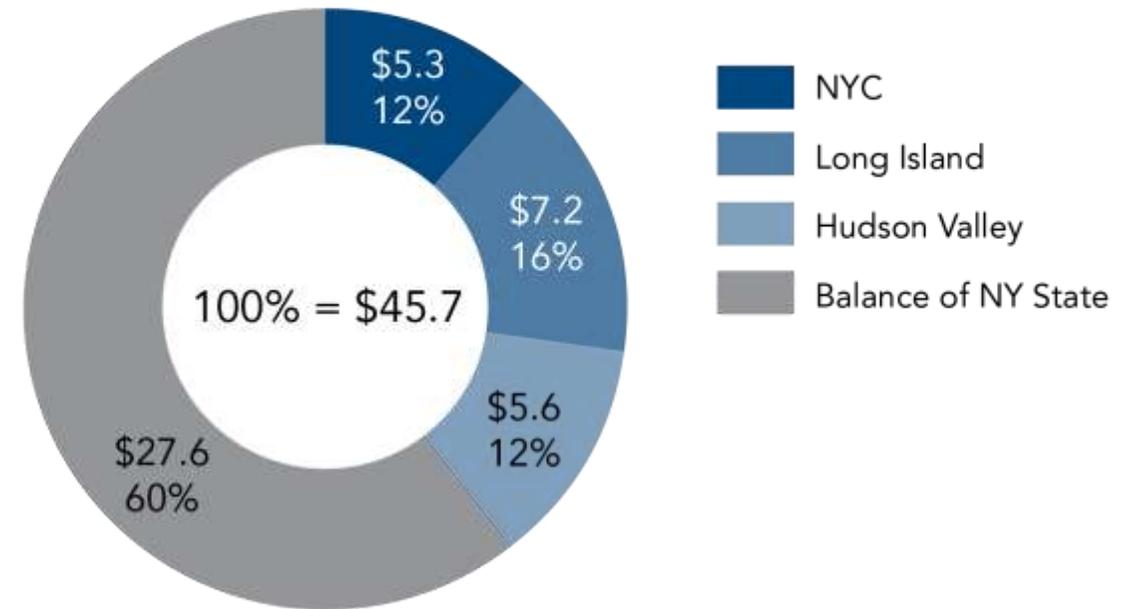


2014 Regional Priority — Global NY Export & Marketing Strategy

International Exports of Services in New York State
\$ Billions, 2012



International Exports of Goods in New York State
\$ Billions, 2012

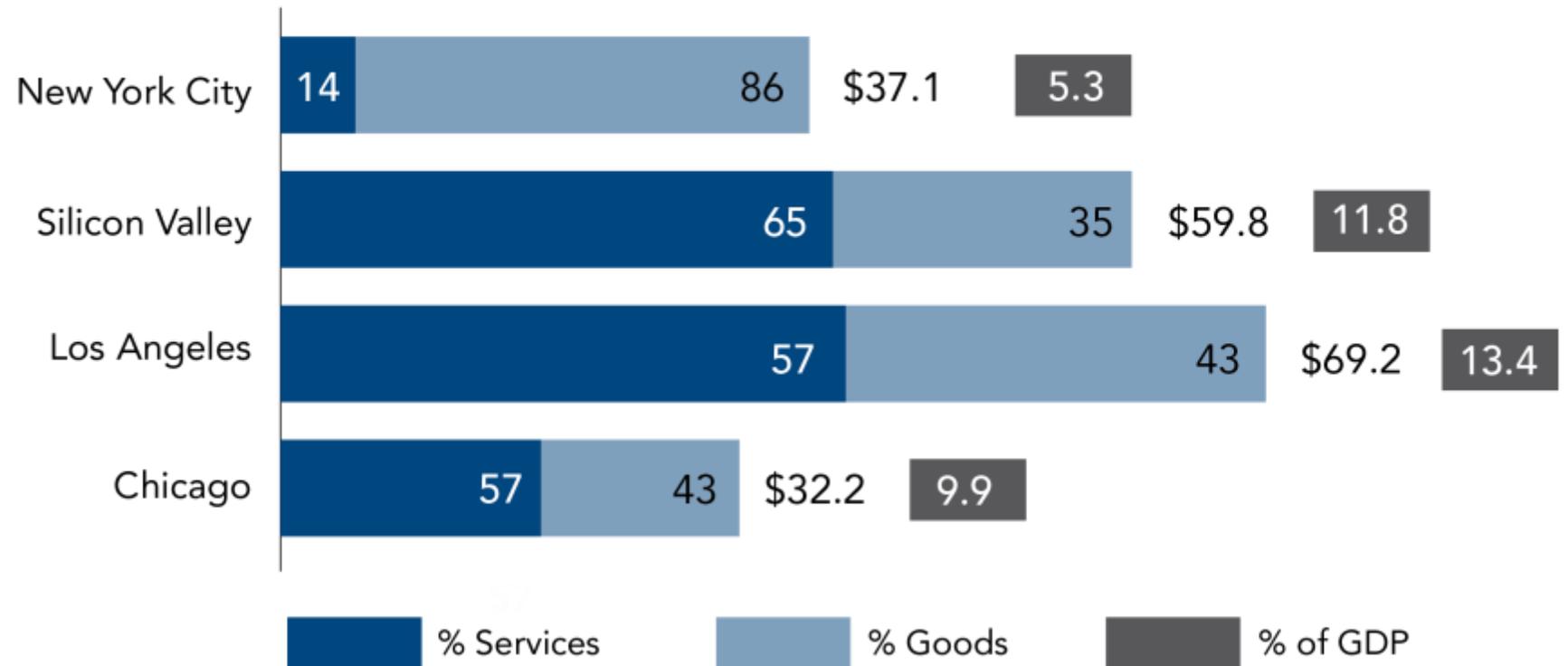




2014 Regional Priority — Global NY Export & Marketing Strategy



International Export Intensity of Goods and Services
\$ Billions, 2012





2014 Regional Priority — Global NY Export & Marketing Strategy



Action Plan to Increase Exports:

1. Identify advantages and challenges for the production and export of goods;
2. Conduct an inventory and survey of goods manufacturers;
3. Assess sectors poised for high-growth with export potential;
4. Create an exporter one-stop-shop online platform; and,
5. Develop a global marketing plan.



2014 Regional Priority — Global NY Export & Marketing Strategy



Recommendations to Expand Reach of Economic Benefits:

1. Expand Export Opportunities for Immigrant-Owned Small Businesses;
2. Share Regional Assets through Collaboration;
 - a. Develop an Inter-regional Pipeline
 - b. Support Export Infrastructure and Connectivity Improvements
3. Link Workforce Development to the Maker Economy; and
4. Institutionalize Inter-regional Collaboration.



2014 Regional Priority — Global NY Export & Marketing Strategy



Linked Priority Projects:

- Brooklyn Brewery
- Airports Exports Improvements
- Brooklyn Navy Yard Building 77
- BAT Campus Improvements
- CUNY Hub for Innovation and Entrepreneurship



2014 Priority Projects



Strong focus on projects linked to:

- Global NY Export & Marketing Strategy
- The Opportunity Agenda
- Local Waterfronts Revitalization
- Innovation Hot Spot Support
- Cleaner, Greener Communities
- Promoting Veterans Participation in the Workforce
- Strategic Planning



NYC REDC Priority Project Selection Criteria



- Relief of conditions of economic distress
- Transformative Role
- Feasibility
- Interregional cooperation
- Measureable Impact
- Leverages various sources of funds
- Job Creation
- Innovative approach
- Partnerships between business and institutions of higher education
- Strong private sector investment & engagement



Capital Grants Program: Brooklyn Brewery



- **Strategic Objective:** Model Global NY project to scale-up production of a locally-branded product for international export and the possibility of co-location of its partner firm's North American operations with an additional \$10 million in foreign direct investment.
- **Project:** Construction of a \$70 million 400,000 – 1,000,000-barrel brewery on a Staten Island West Shore site with proximity to the NY/NJ ports for container shipment and direct freight rail access.
- **Cost:** \$70 million
- **Jobs:** 88 retained, 92 new full-time, 240 construction
- **Timeline:** Site selection by the end of 2014, construction complete by 2016, fully operational by the end of 2017.



Capital Grants Program: Urban Development Center



- **Strategic Objective:** Per Scholas will train low-income, economically disadvantaged New Yorkers to qualify for, obtain, and advance in technology jobs at a private sector IT consulting firm, Doran Jones, and showcase the positive impacts of onshoring software testing to create good jobs.
- **Project:** Renovation of 15,000 square feet of space in the South Bronx for training and employment for Per Scholas' STEP graduates.
- **Cost:** \$2.83 million
- **Jobs:** 150 retained, 300 new
- **Timeline:** Phase 1 will be completed in Fall 2014. Phase 2 will begin in 2015.



Capital Grants Program: Building 77



- **Strategic Objective:** Building on the Brooklyn Navy Yard's tremendous success over the past 10 years, transformation of the 18-story industrial building into a manufacturing/tech hub will generate greater economic benefits than have yet to be seen at the Yard.
- **Project:** Renovation of an 1 million square foot building, transforming the currently vacant space into a manufacturing and tech hub.
- **Cost:** \$134.3 million
- **Jobs:** 3,000 new, 112 construction
- **Timeline:** Construction will begin in April 2015 and will be completed in June 2016.



Capital Grants Program: National Urban League Harlem 125th Street



- **Strategic Objective:** Creation of an Entrepreneurship and Conference Center, providing workspace, support and services to local startups, as well as mentoring and networking opportunities. Relocation of the headquarters of a century-old, nonpartisan civil rights organization
- **Project:** Redevelopment of a site as a mixed-use development that will include 66,000 square feet of retail, 75,000 square feet of office space, a community facility, a museum, a conference space and 114 residential units (50% low- and moderate-income units).
- **Cost:** \$200 million
- **Jobs:** 100 existing, 247 new, 1,149 construction
- **Timeline:** Construction to begin in the spring of 2016.



Capital Grants Program: Victoria Theatre



- **Strategic Objective:** Foster economic growth in the 125th Street Opportunity Zone through revitalization of the area as an arts, entertainment cultural and commercial destination.
- **Project:** Redevelopment of the National Register-eligible Victoria Theatre into a hotel, residential units (50% priced for low- and moderate- income households), a cultural arts space and retail space.
- **Cost:** \$162.8 million
- **Jobs:** 373 new, 580 construction
- **Timeline:** Construction to begin late 2014.



Capital Grants Program: Airports Exports Improvements



- **Strategic Objective:** Addresses primary issue identified by the REDC Global NY Work Group – inadequate facilities to accommodate expansion of export activity via air cargo.
- **Project:** Demolition, environmental remediation and construction of a new, larger air cargo building at JFK Airport.
- **Cost:** \$100 million
- **Jobs:** 102 new, 300 construction
- **Timeline:** Construction of the new facility completed by late 2017.



Capital Grants Program: BAT Campus Improvements



- **Strategic Objective:** Support of export and global business development by creating a shared processing and assembly operation; mobilizing resources to help with logistics/supply chain needs; identifying market opportunities for exports abroad; and applying for Foreign Trade Zone benefits.
- **Project:** Renovation of a 24,000 square foot facility to accommodate the Sunset Park Industrial Workforce Center and develop BAT into a Global NY Export Hub.
- **Cost:** \$135 million
- **Jobs:** 1,194 new, 811 construction
- **Timeline:** Completion by 2018



Local Waterfront Revitalization Program: Saw Mill Creek Pilot Mitigation Bank



- **Strategic Objective:** Transformation of an inefficient regulatory process into one that facilitates sustainable economic development, coastal resiliency, and job generation.
- **Project:** Pilot project for the city's first wetland mitigation bank in which 68 acres of wetlands on Staten Island will be cleaned up, restored and protected while generating "mitigation credits" which provide offsets for permitted wetland impacts.
- **Cost:** \$12.5 million
- **Jobs:** 3,500 indirect
- **Timeline:** Permitting underway; construction will be completed in Spring 2015.



Selected 2014 Excelsior Tax Credit Projects



Brooklyn Brewery

Construction of new brewery facility to maintain a rapid growth trajectory, particularly as an internal exporter, and increasing permanent headcount.

UDC (Doran Jones & Per Scholas)



Creation of 450 software testing jobs in the Bronx, including 300 for graduates of the Per Scholas' Software Testing Education Program (STEP).

Steuben Food Innovation Center



Expansion of pilot plant/R&D center in Queens to include incubator space and temporary offices for companies developing aseptic food products.



Innovation Hot Spot Support: CUNY Hub for Innovation & Entrepreneurship



- **Strategic Objective:** Measurable impact on economic growth in Harlem by incubating high-tech startups as well as direct employment at the Hub.
- **Project:** Development of incubator for startups while also offering a professional training course in entrepreneurship at various CUNY facilities.
- **Cost:** \$2.3 million
- **Jobs:** 50+ new
- **Timeline:** Will house 15 companies after 18 months and 25-30 companies by the end of Year 3.



Cleaner, Greener Communities, Phase II Implementation Grants: NYC Energy Efficient Market Integration & Assistance Program



- **Strategic Objective:** Reduction of GHG emissions and improving housing affordability by reducing utility costs.
- **Project:** Creation of an energy efficiency market integration and assistance program to convert energy data into multifamily retrofits.
- **Cost:** \$11.8 million
- **Jobs:** 1,256 new
- **Timeline:** Project will begin in January 2015 and be completed in December 2017.



ESD Strategic Planning & Feasibility Studies: Long Island City Comprehensive Plan



- **Strategic Objective:** Creation of a workforce development program, physical infrastructure improvement strategies, public-private economic development projects, and revitalization tactics that foster economic development.
- **Project:** Production of comprehensive plan to inform ongoing development of Long Island City
- **Cost:** \$350,000
- **Timeline:** 12 month implementation timeline



Arts, Culture & Heritage Projects: Josephine Herrick Project – Veteran Workforce Investment



- **Strategic Objective:** Successful implementation of the program with community partners leading to increased program offerings through an aggressive growth plan already underway.
- **Project:** Hiring of part-time Program Coordinator to design and manage a rapidly growing photography programs for veterans and at-risk youth.
- **Cost:** \$61, 875
- **Job:** 1 part-time job transitioning to fulltime in a year
- **Timeline:** 12 months, beginning in December 2014



Conclusion — REDC 2014 Checklist



- Keep the project pipeline flowing
- Further develop inter-regional collaboration
- Advance Global NY export & marketing strategy through project implementation, private sector expertise and high profile use of media and existing resources
- Implementation of Opportunity Agenda through the Workforce Development Work Group
- Create more comprehensive screening and reporting mechanisms