

# New York Works

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## 2018 PROGRESS UPDATE



**The City of New York**

**Mayor Bill de Blasio**

Alicia Glen

Deputy Mayor for Housing and  
Economic Development

# INTRODUCTION

Over the past few years, New York City has experienced an unprecedented wave of prosperity. In March, unemployment hit 4.2 percent, the lowest since recordkeeping began. We are now home to four and a half million jobs, a record high. Crime is down, graduation rates are up, and the city’s population is expected to grow by 400,000 residents over the next two decades.

But despite this success, too many of our fellow New Yorkers continue to struggle. The rapidly changing job market is squeezing out the city’s middle class. Real wages have stagnated. And rents are rising in virtually every neighborhood.

Last year, to address this stark inequality and make the city a fairer place for all, the de Blasio administration announced the start of New York Works, an initiative to create 100,000 good-paying jobs in high-growth industries over the coming decade. Through direct City action, New York Works is fostering the growth of good-paying jobs (defined as those that pay at least \$50,000 annually or provide a pathway to this income), ensuring these jobs are accessible to New Yorkers, and preparing the city for jobs of the future. These forward-thinking investments will both level the playing field for today’s residents and also strengthen our economic foundation for future generations.

On the one-year anniversary of New York Works, we are proud to chart the progress made. By activating City-owned land, making direct investments in high-growth industries, and working with the NYCIDA, we have laid the groundwork or facilitated the creation of nearly 19,000 good-paying jobs and have further diversified our economy. These actions are critical to advancing our goals in the five strategic sectors identified last year: tech, life sciences and health care, industrial and manufacturing, creative and cultural sectors, and space for jobs of the future.

Below is an overview of the actions the City has taken over the past year to catalyze job growth, lift more New Yorkers into the middle class, and strengthen our economy for future residents.

## OVERVIEW OF THE ACTIONS THE CITY HAS TAKEN GOOD-PAYING JOBS

Sell, lease, or renovate <b>City-owned property</b> to support businesses that will create jobs	4,775
<b>Directly invest in and support</b> growing industries through funding and programming	6,325
Offer <b>financing and tax incentives</b> to targeted sectors and businesses	775
Use <b>land use tools</b> , like zoning, to increase and develop space for jobs	7,050
<b>Total Good-Paying Jobs</b>	<b>18,925</b>

# CITY-OWNED PROPERTY

As neighborhoods throughout the five boroughs continue to thrive, there is ample opportunity to activate City-owned land for public benefit. Recognizing this opportunity, the City has worked with private and nonprofit developers to activate sites, as well as develop and tenant sites itself.

Over the past year, the City has invested in multiple industrial assets. The Brooklyn Navy Yard converted Building 77, a former Navy storage warehouse, to a one million-square-foot manufacturing facility. It now includes a 60,000-square-foot food manufacturing hub and will host 1,650 good-paying jobs. New York City Economic Development Corporation (NYCEDC) renovated and opened 500,000 square feet of space at the Brooklyn Army Terminal (BAT). In addition to this new space, NYCEDC also re-purposed

existing space into a 25,000-square-foot micromanufacturing hub, which will host 21st century manufacturing innovators, and 50,000 square feet of artist workspaces to be operated by ArtBuilt, a Brooklyn-based nonprofit that supports artists and art organizations.

The City has also added the potential for more good-paying jobs by activating much-needed commercial space. ESPN Broadcasting Studios became the first tenant at South Street Seaport’s Pier 17, the centerpiece of Howard Hughes Corporation’s redevelopment of the neighborhood. Pier 17 is one component of a broader revival of the Seaport District, which will mix office, retail, culinary, and entertainment spaces. On the west shore of Staten Island, Corporate Commons Three, a new 330,000-square-foot office building,

is under construction. This will create space for more than 750 good-paying jobs.

The City has also added over 500 maritime jobs to the waterfront, including 250 jobs created by the successful launch of NYC Ferry. This number will likely grow as service expands and ridership increases. The City also made several capital investments at the Manhattan and Brooklyn Cruise Terminals, expanding their capacity to host larger cruise ships and support jobs. Just south of the Brooklyn Cruise Terminal, the South Brooklyn Marine Terminal has selected a new operator, which will both expand the City’s capacity to transport goods and cargo by water and create 250 good-paying jobs.

## JOB CATALYSTS SINCE NEW YORK WORKS

## GOOD-PAYING JOBS

Opened 1M-square-foot manufacturing facility at the <a href="#">Brooklyn Navy Yard</a>	1,650
Opened 500,000 square feet of space at the <a href="#">Brooklyn Army Terminal</a>	1,000
Closed real estate deal to create office building on the <a href="#">Staten Island Teleport</a> campus	750
Executed real estate deal to bring office jobs to the <a href="#">South Street Seaport</a>	350
Launched <a href="#">NYC Ferry</a>	250
Selected operator for the <a href="#">South Brooklyn Marine Terminal</a>	250
Created space for jobs through <a href="#">other real estate deals on City-owned sites</a>	175
Closed real estate deal to develop new retail space at the <a href="#">Times Square Theater</a>	150
Invested capital to upgrade capabilities and capacity at <a href="#">NYCruise</a> terminals	75
Closed real estate deal to create the <a href="#">New York Proton Center</a>	75
Invested in capital improvements at <a href="#">other City-owned industrial assets</a>	50
<b>Total Good-Paying Jobs Created Through City-Owned Property</b>	<b>4,775</b>

# DIRECT INVESTMENT AND SUPPORT

The City operates a variety of business development and support programs, particularly in industries with high-growth potential but significant barriers to success. These support programs include providing seed funding, business management education, connections to customers, and branding.

As part of its \$500 million LifeSci NYC initiative, the City has partnered with NYU Langone to launch BioLabs, a 50,000-square-foot biotech co-working facility that will provide flexible wet lab bench rental, collaborative space, research equipment, and business support for life sciences companies. The City has selected NYC Media Lab, backed by NYU Tandon and Columbia University, to develop and operate a hub for virtual reality and augmented reality (VR/AR) at the Brooklyn Navy Yard. The VR/AR lab will directly create over 750 good-paying jobs and will also include a workforce

development center at CUNY’s Lehman College in the Bronx. The City continued its support of emerging, high growth-potential technology applications by partnering with CoinDesk to host the first-ever Blockchain Week NYC. The event celebrated this important new technology and its promising future applications, and it drew more than 8,000 attendees from six continents.

In addition to creating new jobs, the City is fostering local talent to ensure that all New Yorkers are prepared to participate in the 21st century economy. The City started the LifeSci NYC Internship Program, which will connect New York college students with life sciences companies looking for talent. This summer, a class of over 70 interns will work with 35 employers. Last fall, the NYC Tech Talent Pipeline initiative partnered with Hunter and Lehman Colleges to launch CUNY 2X Tech, which will double the

number of CUNY students graduating with a bachelor’s degree in tech fields by 2022. And this spring, the City launched ApprenticeNYC. Announced as part of New York Works, this program will introduce a training and mentorship model in close coordination with employers. The first cohort will participate in an 18-month mentorship and job immersion program for CNC machinists.

Looking ahead, the City will open an applied life sciences hub, which will be a center of gravity for New York’s rapidly growing life sciences industry. The City will also launch several initiatives as part of the Freight NYC vision plan, including expanding the City’s clean trucks fleet and use of the city’s waterways and railways. This will ensure that the city’s freight system is modern, resilient, and sustainable, all while creating good-paying jobs and decreasing the industry’s environmental impact.

## JOB CATALYSTS SINCE NEW YORK WORKS

## GOOD-PAYING JOBS

Launched \$20 million <b>CUNY 2X Tech</b> initiative	2,450
Selected operator of <b>LifeSci NYC</b> incubator and launched internship program	1,300
Selected operator and location of <b>VR/AR lab</b>	750
Provided grants to support opening new <b>community health centers</b>	500
Launched <b>ApprenticeNYC</b> with first cohort of CNC machinists	450
Trained New Yorkers and connected them to tech jobs through the <b>NYC Tech Talent Pipeline</b>	375
Assisted set up of new <b>small businesses and entrepreneurs</b>	250
Boosted small advanced manufacturing firms through the <b>Futureworks</b> partner network and virtual incubator	100
Trained New Yorkers across a variety of <b>media and arts workforce</b> programs	100
Supported new cohorts of businesses through the <b>Digital Health</b> Breakthrough Network and Marketplace programs	50
<b>Total Good-Paying Jobs Created Through Direct Investment and Support</b>	<b>6,325</b>

# FINANCING AND INCENTIVES

The city offers a number of financing tools to help businesses acquire property, construct and renovate facilities, and invest in equipment. The primary mechanism to deliver these benefits is the New York City Industrial Development Agency (NYCIDA), which encourages economic development throughout the five boroughs. NYCIDA programs are discretionary, allowing the City to reward companies that will use the benefits to advance the administration’s policy goals, including the creation of good-paying jobs. Over the past year, NYCIDA has executed deals with several industrial companies. Collectively, these industrial deals have created 250 good-paying jobs. This includes the acquisition and renovation of a 27,000-square-foot industrial building in the South Bronx

by Tristate Plumbing Services, which created 60 jobs. NYCIDA’s Food Retail Expansion to Support Health (FRESH) supported the creation of five new grocery stores in neighborhoods with limited access to fresh produce; this created over 75 good-paying jobs and offered much-needed nutritional food options to historically underserved communities. One example of this is Village Super Market, which worked with FRESH to install a ShopRite in the Bronx’s Bruckner Plaza and replaced a shuttered Key Foods supermarket.

Building on its own financing tools, the City for the first time secured an allocation of New Markets Tax Credits through a federal program that incentivizes business and real estate

investment in low-income communities. NYCEDC created 150 quality jobs through these tax credit deals, including developing the Greenpoint Manufacturing and Design Center Ozone Park Industrial Center, a new, 90,000-square-foot complex for small industrial companies in Queens.

BuildNYC is the City’s program to support nonprofit organizations through low-cost bond financing. Over the past year, BuildNYC executed almost 20 transactions. These created over 300 jobs and supported a variety of organizations, from schools like the Inwood Academy of Leadership to service organizations like Volunteers of America.

## JOB CATALYSTS SINCE NEW YORK WORKS

## GOOD-PAYING JOBS

BuildNYC transactions with nonprofits	300
NYCIDA Industrial deals with businesses	250
New Markets Tax Credits for real estate investments	150
NYCIDA FRESH deals to support new grocery stores	75
<b>Total Good-Paying Jobs Created Through Financing and Incentives</b>	<b>775</b>

# LAND USE TOOLS

Zoning sets rules for the use and development of land, which in turn shapes what investment can occur in certain neighborhoods and business districts. The City ensures that regulations are versatile enough to meet a range of work space needs, as well as providing capacity for commercial growth in appropriate areas. Through neighborhood planning and rezonings, the City unlocks space for jobs and supports businesses' ability to adapt to evolving economic conditions.

Last August, the City Council approved the Greater East Midtown rezoning, an action that encouraged the creation

of new and expanded commercial space and, ultimately, more jobs: the City conservatively estimates that the rezoning will create at least 4,800 new jobs in the neighborhood. The rezoning has already brought change to the area; JPMorgan Chase announced that it would rebuild its Park Avenue headquarters, adding an incremental one million square feet of office space. Additionally, the new zoning will generate more than \$40 million in public improvements to the streets, pedestrian plazas, and sidewalks in the neighborhood.

Over the past year and a half, the City Council also approved rezonings in East Harlem and Downtown Far Rockaway. While these rezonings were primarily focused on increasing the city's affordable housing stock and neighborhood-scale commercial space, they will add over 650 good-paying jobs closer to where New Yorkers live.

The City has deployed other land use tools to create good-paying jobs, like selling air rights at One Willoughby Square. A new commercial tower in the heart of Downtown Brooklyn, this building is expected to create 1,100 new jobs.

## JOB CATALYSTS SINCE NEW YORK WORKS

## GOOD-PAYING JOBS

Greater East Midtown rezoning	4,800
Sale of air rights to One Willoughby Square	1,100
Jerome Avenue rezoning	500
East Harlem rezoning	500
Downtown Far Rockaway rezoning	150
<b>Total Good-Paying Jobs Created Through Land Use Tools</b>	<b>7,050</b>

# CONCLUSION

Over the coming decade, New York Works will help reshape the city's economy and give more New Yorkers access to good-paying jobs. We are proud of the progress made in the initiative's first year and will build on this momentum to keep the city an economic powerhouse and a place where all can succeed.

For more information, or to download the full plan, visit [nyc.gov/newyorkworks](https://nyc.gov/newyorkworks).