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**March 4, 2016**

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**NYCEDC Announces Next Steps to Grow 21st Century Industrial and Manufacturing Jobs in New York City**

*Industrial Developer Fund Will Create 400,000 SF of New or Renovated Space, Supporting 1,200 Jobs*

*Futureworks Growth Initiative Providing \$180,000 in Grants to Advanced Manufacturers*

New York City Economic Development Corporation (NYCEDC) today announced the launch of the NYC Industrial Developer Fund, a \$150 million public/private fund to provide project financing for industrial real estate development projects in New York City. The Fund is designed to catalyze investment in 400,000 square feet of new or renovated industrial real estate workspace across New York City, supporting the creation of as many as 1,200 quality and accessible industrial jobs by 2020.

NYCEDC also today announced the six winners of the Futureworks NYC Growth Initiative, each of which will receive \$30,000 of funding over a two-year period to finance their growth in the advanced manufacturing space in New York City. The two initiatives stem from Mayor de Blasio and Speaker Mark-Viverito's action plan to modernize the City's industrial policy. The plan will help ensure that both longstanding businesses and new firms have the space to grow and evolve, preserving and creating good jobs in New York City.

"Manufacturing isn't just our past, it's our future," said **Mayor de Blasio**. "Clean, modern, hi-tech manufacturing is creating thousands of good jobs across this city. And we're putting real resources in play to jumpstart this sector and spur more opportunity for our people."

“Our future is about making New York City the world capital of commerce, culture and innovation,” said **Deputy Mayor for Housing and Economic Development Alicia Glen**. “Advanced manufacturing is a critical piece of our 21<sup>st</sup> century economy, and we’ve taken a comprehensive approach to activating industrial assets, deepening career training and making sure new firms have the space and capital they need to hire up and grow.”

“The industrial and manufacturing sectors provide quality jobs for a wide range of New Yorkers and are critical for a dynamic and inclusive 21<sup>st</sup> century economy,” said **NYCEDC President Maria Torres-Springer**. “The Industrial Development Fund and Futureworks NYC ensure that the city’s producers have the space, talent, and resources they need to generate an advanced manufacturing revolution in New York.”

“The Industrial Development Fund is a crucial part of our efforts to support the city’s thriving, growing industrial and manufacturing sectors,” said **City Council Speaker Melissa Mark-Viverito**. “This investment will generate 1,200 strong jobs for New Yorkers and incentivize the creation of long-term affordable industrial space for emerging companies. The City Council is proud to lead the way in supporting New York City’s industrial and manufacturing sectors and I thank Mayor de Blasio for partnering with us in catalyzing these crucial industries”

### **Industrial Development Fund**

Originally announced by Mayor de Blasio and Speaker Mark-Viverito in their industrial action plan last November, the NYC Industrial Developer Fund supports job-creation in New York City by providing public and private financing for industrial real estate development projects. NYCEDC today released a Request for Proposals for non-profit developers in search of financing to create or renovate industrial space across the City. The Fund will ultimately consider both non-profit and for-profit entities. Information applicable to both non-profit and for-profit developers can be found on the [Industrial Developer Fund section of the EDC website](#).

The Fund provides qualified real estate developers with partial public gap-financing assistance in the form of grants, low-interest subordinate loans, and guarantees on senior private loans, in order to leverage owner equity so that the transaction merits traditional bank/senior lender financing provided under the Fund structure. The \$150 million fund includes approximately \$60 million in public funds, leveraging \$90 million in private financing. Qualified projects seeking fund support will be considered when high impact projects are unable to move forward due to funding gaps.

The industrial and manufacturing sector has faced serious challenges in recent decades. These include global macroeconomic trends that have shifted United States manufacturing jobs overseas, as well as heightened local competition within New York City for real estate for residential and

commercial uses. These local factors have disproportionately hurt industrial businesses by reducing the supply of industrial real estate while increasing rents and building ownership costs. The \$150 million NYC Industrial Developer Fund supports the City's industrial businesses and workforce by catalyzing new supply of industrial real estate that directly supports industrial jobs.

"Industrial and manufacturing jobs have long been the backbone that has helped New York City's economy stand tall, and I am pleased that EDC is committing the financial and logistical resources to make this sector stronger in the years ahead," said **Brooklyn Borough President Eric Adams**.

"Brooklyn is leading the nation in innovation, as evidenced by our award-winning companies in Bed-Stuy, Carroll Gardens, DUMBO, and Gowanus. Through sustained support, we are showing that our city can make it possible and profitable to build tomorrow's solutions with today's industrial workforce."

"Industrial manufacturing has long supported our city's middle class," said **Council Majority Leader Jimmy Van Bramer**. "It's essential that we continue to invest in this important sector that provides good, stable jobs for working New Yorkers. The NYC Industrial Developer Fund strengthens our investment in manufacturing and uplifts working families."

"I've been a strong advocate of working to strengthen and expand our industrial business zones to ensure high quality manufacturing and industrial jobs remain in New York City," said **Council Member Rafael L. Espinal, Jr.** "I've worked closely with the administration and EDC in the past year to identify opportunities to build the capacity of the East New York IBZ, and the launch of the Industrial Developer Fund is exactly what we need to not only bring new businesses into the community, but new job opportunities that will give residents a pathway to the middle class."

"Strengthening NYC's industrial sector is an essential way to create good jobs for a wide range of New Yorkers, and to advance more inclusive growth in the innovation economy," said **Council Member Brad Lander**. "The NYC Industrial Developer Fund will bolster investment in industrial businesses throughout NYC, and programs like the Futureworks Growth Initiative will help these businesses continue to grow. Thanks to NYC EDC and Mayor de Blasio for supporting the creation of new industrial jobs and renewed investment in industrial work spaces. Congratulations to all the Futureworks winners today, and especially to Adams Frank Incorporated in Carroll Gardens, and Poursteady in Gowanus.

"New York's rich industrial heritage helped make our city the heart of growth and opportunity in America," said **Council Member Stephen Levin**. "In today's fast-paced economy, we need creative policy approaches to support our industrial businesses and attract and retain new, cutting-edge companies like the outstanding winners of the Futureworks NYC Growth Initiative. The fund announced today will make it easier to create modern industrial spaces where companies new and old can grow, thrive, and create jobs for New Yorkers. I commend Mayor de Blasio and

Commissioner Torres-Springer for recognizing the importance of industrial jobs and working to create an industrial policy to meet the needs of 21<sup>st</sup> century workers and businesses.”

“Securing local jobs for our working families happens when we invest in new and participatory engagement,” said **Council Member Carlos Menchaca**. “This Fund brings particularly exciting opportunities to residents of my district, which is one of the largest industrial neighborhoods in the City and is ready to be activated. I applaud the EDC for its efforts in creating meaningful community-oriented partnerships with the non-profit and for-profit sectors to reinvigorate the industrial and manufacturing sector, with a focus on keeping manufacturing jobs at home.”

### **Futureworks NYC Growth Initiative**

NYCEDC also today announced the first six winners of the Futureworks NYC Growth Initiative, which aims to help promising companies grow in New York City and to better address the challenges faced by early stage companies in the advanced manufacturing space. The Growth Initiative will provide selected companies up to \$30,000 of funding over a two-year period to finance their growth in New York City. The financing will be delivered in three phases: the largest share of the funding will be distributed at the beginning of the program; the outstanding funding will be disbursed in two payments respectively after 12 and 18 months. An additional round of financing opportunity will be available to new companies later this year

The six winners announced today are:

- [Adam Frank Incorporated](#): invests in, designs, and manufactures products and installations that add natural phenomena into the built environment.
- [Bot Factory](#): produces a product called Squink - designed for circuit prototyping - that is able to create complete electronic circuits in 30 minutes for only \$5.
- [Crated, Inc.](#): develops textile wearable technology. The Company plans to set up a small manufacturing facility for printing circuit onto textiles called Kontinuum Cloth.
- [Pensa](#): has developed a new archetype for digital fabrication that transforms drawn curves into bent wire that be assembled to prototype or make short run fabrications.
- [Poursteady](#): manufactures and markets an automated “pour-over” coffee machine to serve the commercial and retail coffee industry.
- [Sun house](#) designs: manufactures and distributes software and hardware for musicians. Its first product is a new kind of electronic drumming system, which allows users to map their playing to electronic control.

The Growth Initiative will also help companies’ apply for sales tax exemptions through IDA’s [Accelerated Sales Tax Exemption Program](#), to reduce the cost of purchasing equipment. This program will create a vivid ecosystem of innovative manufacturers and support New York City’s

production ecosystem through the larger Futureworks NYC initiative.

During the program, companies will be asked to provide NYCEDC with information on a quarterly basis about their evolution, performance and challenges faced. Additionally, Companies will be asked to make good faith efforts to attend Futureworks NYC events and discussions. These events would also be a good opportunity for entrepreneurs to network with their peers, industry experts and potential investors. NYCEDC will use the information obtained from the program to help companies to overcome barriers to entering and expanding into this market.

### **The Industrial Action Plan**

Stemming from the Mayor and Speaker's action plan to grow industrial and manufacturing jobs, announced last November, the larger Futureworks NYC suite of initiatives aim to catalyze new advanced manufacturing technologies and the City's manufacturing base with investment in shared resources and infrastructure. By partnering with industry, academic and research institutions, and communities to build services and spaces dedicated to new methods of production, NYCEDC will work to establish the City as a leader in advanced manufacturing.

Through Futureworks NYC, NYCEDC will invest up to \$13 million to build a new Advanced Manufacturing Center at the Brooklyn Army Terminal and to offer a network of services such as access to prototyping, fabrication and production equipment. To build this network of partnerships, services and spaces, NYCEDC has issued a [Request for Proposals](#) (RFP) seeking organizations to submit their big ideas for supporting NYC's emerging advanced manufacturing cluster. For companies interested in learning more about this program and the other initiatives of Futureworks NYC, please go to [futureworks.nyc](http://futureworks.nyc).

The Industrial Action Plan is the culmination of the City Council's strong advocacy for industrial jobs as "Engines of Opportunity" that can launch New York City families into the middle class. The Plan achieves the Council's goals of reinvigorating the City's manufacturing zones by increasing land use protections of core industrial areas, creating new mixed-use zoning tools, and supporting mission-driven non-profit industrial developers.

The full Action Plan includes the following ten initiatives, which are projected to generate more than 20,000 new jobs and support the city's existing 530,000 manufacturing and industrial jobs:

**1. Invest in City-Owned Industrial Assets:** As part of the 10-Year Capital Plan, the City will invest a total of \$442 million in City-owned industrial properties.

**2. Limit New Hotels and Personal Storage in Core Industrial Areas to Reduce Use Conflicts and Support Diverse Economic Growth:** As part of this commitment to strengthening core

industrial areas, the City will enact new safeguards against the influx of tourist hotels and personal mini-storage facilities to preserve opportunities for industrial and manufacturing businesses.

**3. Create New Models for Flexible Workspace and Innovation Districts:** In response to the evolving needs of the industrial and manufacturing economy, the Administration will work with the City Council, business groups, neighborhood associations, and other key stakeholders to develop a framework for Innovation Districts in New York City.

**4. Strengthen Core Industrial Areas:** Mayor de Blasio and the City Council made a strong commitment to ensuring that space in our core industrial areas remains available for industrial and manufacturing businesses that create a density of quality, middle class jobs for all New Yorkers.

**5. Create an Industrial and Manufacturing Fund to Spur Development:** For the first time ever, the City will create an industrial and manufacturing fund to stimulate the creation of new industrial and manufacturing space by non-profit and mission-driven developers.

**6. Launch Advanced Manufacturing Network “Futureworks NYC”, including Creation of New Advanced Manufacturing Center:** NYCEDC will leverage up to \$10 million in both public and private resources for the creation of an Advanced Manufacturing Center, which will provide as much as 40,000 square feet of shared workspaces and equipment, such as 3D printers and robotics, for both new entrepreneurs and established manufacturers looking to modernize their operations.

**7. Expand Brownfields Jumpstart Program to Industrial Properties:** The Mayor announced a \$500,000 expansion of the City’s Brownfield Jumpstart Program, which will help businesses enroll in the New York State Brownfield Cleanup Program (NYS BCP) and provide grants to industrial and manufacturing businesses for site investigation and cleanup efforts.

**8. Re-launch Industrial Business Solutions Providers Network:** The de Blasio Administration is providing \$1.5 million per year in baselined funding to relaunch the City’s Industrial Business Solutions Providers (IBSPs) network..

**9. Create Industry Partnerships to Bolster Workforce Development:** The City will provide \$750,000 in funding to launch a *Career Pathways* initiative for the industrial and manufacturing sector.

**10. Establish Career Centers in IBZs:** Building on the success of the existing Workforce1 Industrial and Transportation Career Center in Jamaica, SBS will create up to 5 additional satellite centers in select IBZs with high job density.

New York City’s industrial and manufacturing sector employs 530,000 people, or 15.4 percent of the

city's private sector workforce. The sector is an important pathway to the middle class for many families, with median wages of \$50,400 a year. In addition, more than 328,000 jobs in the sector (61.5 percent) are located outside Manhattan, 62 percent of the workforce comes from culturally diverse backgrounds, and nearly half are foreign-born. And approximately 63 percent of industrial and manufacturing sector jobs are available to individuals who do not have a college degree. The City's action plan for the industry will help ensure that both longstanding businesses and new firms have the space to grow and evolve, preserving and creating good jobs in New York City. The new and current investments will generate more than 20,000 new jobs and support the city's existing 530,000 manufacturing and industrial jobs.

### **About NYCEDC**

[New York City Economic Development Corporation](#) is the City's primary vehicle for promoting economic growth in each of the five boroughs. NYCEDC's mission is to stimulate growth through expansion and redevelopment programs that encourage investment, generate prosperity and strengthen the City's competitive position. NYCEDC serves as an advocate to the business community by building relationships with companies that allow them to take advantage of New York City's many opportunities. Find us on [Facebook](#) or follow us on [Twitter](#), or visit our [blog](#) to learn more about NYCEDC projects and initiatives.

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