New York City Independent Budget Office **Fiscal Brief**

November 2015

## Deal Makers & Revenue Generators:

# The Evolution of Build & the Industrial Development Agency's Financing Roles for the City


**Summary**

New York City created the Build NYC Resource Corporation in 2011 to restore access to the tax-exempt bond market for nonprofit organizations in the city. The city's Industrial Development Agency had issued tax-exempt bonds for nonprofits as well as for-profits until 2008, when Albany failed to reauthorize the nonprofit bonding role for industrial development agencies across the state. Build and the city's Industrial Development Agency are both subsidiaries of the New York City Economic Development Corporation and generate millions of dollars in profits annually, some of which can be spent by the parent corporation outside the city's procurement rules and without oversight from the City Council.

IBO has examined the evolution of the roles of Build and the Industrial Development Agency in financing economic development deals for the city and the uses of the revenues the two entities generate. Among our findings:

- As a local development corporation, Build has been able to finance a wider range of projects than are eligible under the legislation authorizing the Industrial Development Agency, which now focuses on economic development deals that are mostly based on tax breaks.
- Build benefits borrowers, who can issue debt through the organization at a lower cost and with fewer restrictions than bond issuers created under state industrial development agency legislation.
- The most frequent users of Build are private and religious schools, which accounted for 31 deals totaling $660 million in bond proceeds since 2011. These entities had been frequent borrowers through the Industrial Development Agency but after being shut out from 2008 through 2011, they have increased their activity under Build.
- More than half of the bonds issued by Build have been used to refinance existing debt rather than fund new projects. This allows borrowers to take advantage of lower interest rates, but does little to add economic activity while still costing the federal, state, and city governments tax revenue.

From fiscal years 2002 through 2014, Build and the Industrial Development Agency committed over $84 million in revenue to fund Economic Development Corporation projects and consultant studies. (A full list of projects funded by the two agencies during the 2002-2014 period is included in the report.)

Build and the Industrial Development Agency play important roles in helping to finance economic development and job creation in the city, yet they are not city agencies. Their surplus revenues, which totaled $56 million as of 2014, are off-budget and allow a Mayor, who controls the agencies' boards of directors, to pursue initiatives without the same level of transparency that these projects and studies would be subject to if they were funded using money from the city budget.



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## Introduction

In November 2011, the city incorporated a new local development corporation named Build NYC Resource Corporation (Build). According to press releases announcing its creation, Build had a simple mission: to offer the city's nonprofits access to the tax-exempt bond market for their capital financing needs.[1]

For most of the three decades prior to Build's creation, the city's Industrial Development Agency (IDA) had offered nonprofits and private companies access to private activity bonds—tax-exempt or taxable bonds (depending on their use) issued on behalf of private entities—in return for doing business in New York City. The IDA, however, lost the ability to issue bonds on behalf of nonprofit organizations in 2008 after the state Legislature did not renew this aspect of the agency's authority. The city hoped that Build could restore nonprofits' access to bond markets without requiring the Legislature's approval. In the years since, Build has not only begun to issue bonds on behalf of nonprofit groups, but has also become the city's sole issuer of private activity bonds for city economic development projects.

In this fiscal brief, IBO evaluates how the city has used Build since its creation and why the organization has played an increasingly important role in the city's economic development agenda. IBO examines the state law that allowed the city to create Build, and how its existence benefits both borrowers and the city's economic development agency, although at times at the expense of the city's general fund. We also explore Build's and the IDA's finances to understand how they generate income from fees and how the New York City Economic Development Corporation (EDC), a not-for-profit corporation under contract with the city that administers both Build and the IDA, uses the profits to fund discretionary activities ranging from consultant studies to loan programs—all outside the city's normal appropriation process. Finally, IBO considers the broader implications of Build in the context of local, state, and federal policy.

## Background: Legal Underpinnings of IDA and Build

In 1969, the New York State Legislature passed a law that allowed cities and counties to create industrial development agencies (IDAs). Government officials hoped

### What Are Private Activity Bonds?

Private activity bonds are a form of municipal debt in which more than 10 percent of the bond proceeds are used by a private organization. These bonds must be approved by a public or quasi-public entity, often referred to as a conduit issuer. The private borrower is responsible for repaying principal and interest; the issuing agency is not on the hook should a borrower default. Originally intended to encourage industrial development, private activity bonds are now used to finance projects as diverse as hospitals, airports, charter schools, and private toll roads.

Private activity bonds can be sold on either a taxable or a tax-exempt basis, though most bonds sold through the IDA and Build are tax-exempt. Federal tax law limits the issuance of tax-exempt private activity bonds to a list of "qualified private activities," shown in the table on page 3. These uses include infrastructure projects that are publicly owned but operated by the private sector (known collectively as exempt facilities), affordable housing projects, facilities owned by small manufacturers (called small issue bonds), and financing for not-for-profit groups with 501(c)(3) status.

Borrowing on a tax-exempt basis allows companies to realize significant debt service savings relative to what they would pay on taxable bonds or private loans because the interest paid to bondholders is not subject to federal, state, or local taxes, therefore allowing for lower interest rates. The Internal Revenue Service limits the amount of tax-exempt private activity bonds that each state can issue in a given year, a figure referred to the "volume cap."[2] Bonds issued for certain qualified activities, however, including airports, docks and wharves, highways, and 501(c)(3) organizations, are not subject to the cap.

Nearly all of the IDA and Build's bond transactions are for qualified activities and therefore are exempt from the federal government's annual cap on private activity bond issuance. This allows EDC to transfer some of the IDA's excess bond capacity to the city's Housing Development Corporation to support the construction of affordable housing, which is subject to the volume cap.

In recent years, governments in the New York region have begun to use private activity bonds to help finance their growing infrastructure needs. New York City has sold private activity bonds to finance the construction of airport terminals and waste transfer facilities, while the New Jersey Economic Development Agency recently issued bonds to finance a portion of the replacement Goethals Bridge. Private activity bonds are expected to be a part of the financing of the new Tappan Zee Bridge and the renovation of La Guardia Airport.

that IDAs would help retain the state's industrial base at a time when companies were leaving for locations in the South and abroad. IDAs were designed to lower the cost of doing business in New York by offering companies a variety of tax breaks along with access to the tax-exempt bond market through the issuance of private activity bonds (see sidebar). The IDA enabling law requires each IDA to be approved by a separate act of the Legislature. Following another round of state legislative approval, New York City established its IDA in 1974.

Over time, however, local governments across New York State came to use the IDAs for a wide range of corporate retention and attraction projects, most of which extended beyond the industrial sector that gave the agencies their name. (See IBO's 2011 report for more information about how the New York City IDA has evolved over time.)

In 1986, the state Legislature further expanded the power of IDAs by granting them the ability to sell private activity bonds on behalf of not-for-profit groups. (Under state law, these projects are known as civic facility bonds, while federal law refers to them as 501(c)(3) bonds. In this paper, the terms are used interchangeably.) Federal law had long permitted nonprofits to finance capital projects using tax-exempt private activity bonds, but New York had never permitted IDAs to enter this market.

**Types of Projects That Qualify for Tax-Exempt Bonds Under Federal Law**

| Type of Activity | Subject to Volume Cap |
|---|---|
| Exempt Facilities | |
| Publicly Owned Airports | No |
| Publicly Owned Docks and Wharves | No |
| Publicly Owned Mass Commuting Facilities | Yes |
| Water Facilities | Yes |
| Sewage Facilities | Yes |
| Publicly Owned Solid Waste Disposal Facilities | No |
| Privately Owned Solid Waste Disposal Facilities | 25% Exempt |
| Qualified Affordable Residential Rental Projects | Yes |
| Local Electric Energy or Gas Facilities | Yes |
| Local District Heating or Cooling Facilities | Yes |
| Hazardous Waste Facilities | Yes |
| High-Speed Intercity Rail Facilities | 75% Exempt |
| Environmental Enhancements of Publicly Owned | |
| Hydroelectric Generating Facilities | No |
| Public Education Facilities | No |
| Green Building and Sustainable Design Facilities | No |
| Highway or Surface Freight Transfer Facilities | No |
| Mortgage Bond | Yes |
| Veterans' Mortgage Bond | No |
| Small Issue Bond | Yes |
| Student Loan Bond | Yes |
| Redevelopment Bond | Yes |
| 501(c)(3) Bond | No |

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Unlike other provisions in the IDA enabling law, however, the civic facility authority was written to expire after three years, requiring lawmakers to reauthorize the provision. The Legislature renewed the civic facility authority three years later and routinely did so without incident until 2008. When the civic facility authority came up for renewal that year, lawmakers attached several reform proposals to the bill, including a mandate that IDA beneficiaries pay their workers a prevailing wage. These amendments were opposed by business groups and many local governments, including New York City's under then-Mayor Michael Bloomberg. Unable to reach agreement on the proposals, the Legislature allowed the entire reauthorization bill to die without coming to the floor for a vote. As of the release of this report, the civic facility authority has yet to be restored.

The state Legislature's failure to renew the civic facility authority left the city in a bind. Nonprofit borrowers continued to have capital needs, even in the depths of the recession, but the IDA lacked the legal authority to grant them access to the tax-exempt bond market. The Legislature's inaction also jeopardized the fee income that the IDA earned from nonprofit bond deals, which represented a significant and steady source of the organization's annual revenue. Unwilling to wait for the Legislature to act, many nonprofits sought out other sources of capital. Some turned to private loans. Others sold bonds through alternative government-affiliated issuers, both in New York and outside the state.

***The Creation of Build NYC Resource Corporation.*** After more than two years of waiting, the city decided it could no longer rely on the state Legislature to act. By that time, the city and other municipalities around the state had identified a loophole in state law that would allow the city to restore nonprofits' access to the tax-exempt bond market without legislative approval.

The state's not-for-profit corporation code allows municipal governments to create local development corporations (LDCs) to perform various functions on behalf of the public, including the buying, selling, and leasing of public property and the issuance of debt. LDCs are intended to spur development by "lessening the burdens of government [while] acting in the public interest."[3] In other words, these quasi-public entities allow city and county governments to sidestep restrictions placed upon them by other areas of state law, ranging from constitutional debt limits and balanced budget requirements, to transparency and procurement rules.

According to the New York State Authorities Budget Office, there are 299 active LDCs statewide—20 of which are in New York City—including organizations like the Brooklyn Navy Yard Development Corporation and the Hudson Yards Infrastructure Corporation. Most of these organizations act on behalf of the city and are empowered to issue bonds or incur debt to finance their activities. The Hudson Yards Infrastructure Corporation, for example, issued bonds to finance the extension of the 7 subway line. The Brooklyn Navy Yard Development Corporation manages city-owned industrial space in the Brooklyn Navy Yard and uses private financing sources to renovate and expand its facilities.

Due to the vague wording of the enabling law, however, it appeared that LDCs were free to issue bonds for both public and private purposes. The law permits LDCs "to borrow money and to issue negotiable bonds, notes and other obligations" on behalf of private real estate projects, even though private activity bonds had yet to be used in New York State when the LDC enabling law was written in 1962.[4] It is unclear whether lawmakers at the time intended to include bonds backed by both public and private revenue sources. The open-ended nature of the law, however, created a loophole in which a city could incorporate a conduit bond issuer as an LDC, allowing it to once again issue private activity bonds on behalf of not-for-profit groups.

In November 2011, the city's EDC incorporated a new local development corporation, Build NYC Resource Corporation, to do just that. A press release announcing its creation said that Build's "primary goal is to facilitate access to private activity tax-exempt bond financing for not-for-profit institutions," and suggested that it already had 20 nonprofit projects waiting to be funded.[5]

### Build Becomes City's Exclusive Issuer for Economic Development Bond Deals

From the start, however, it was clear that the city envisioned Build as more than just a conduit issuer for the nonprofit market. Build's certificate of incorporation called for the organization to issue bonds "to promote community and economic development and the creation of jobs in the nonprofit and for-profit sectors" and "to undertake other projects within the City that are appropriate functions for a nonprofit local development corporation."

By including the for-profit sector in its certificate of incorporation, Build was poised to take on deals that could otherwise have been financed through the IDA, even though the IDA never lost the ability to sell bonds on behalf of that market. In addition to its mandate to issue private activity bonds on behalf of nonprofit and for-profit entities, Build offers mortgage recording tax waivers, similar to the IDA. (Unlike the IDA, however, it does not award property tax abatements and exemptions or sales tax exemptions.)

Despite these similarities, there are some key differences between the IDA and Build. Because Build was organized as a local development corporation under the state's nonprofit law, as opposed to a public benefit corporation under the state's IDA enabling legislation, Build deals are not subject to all of the restrictions that pertain to some IDA-financed projects. The legislation enabling the IDA requires it to establish a set of rules called a uniform tax exemption policy (UTEP) to guide its activities. These guidelines

**Differences Between IDA and Build NYC**

| | NYC Industrial Development Agency | Build NYC Resource Corporation |
|---|---|---|
| Legal Organization | Public Benefit Corporation under IDA enabling legislation in New York State General Municipal Code | Local Development Corporation under Section 1411 of the New York State Not-for-Profit Corporation Code |
| What It Can Do | Issue tax-exempt bonds and award tax exemptions in compliance with state law and Uniform Tax Exemption Policy | Issue tax exempt bonds without restrictions placed on IDA by state law or Uniform Tax Exemption Policy; award mortgage recording tax exemptions |
| What It Is Prevented from Doing Under State Law | Sell bonds on behalf of housing developers, nonprofits; exercise powers of eminent domain; deviate from Uniform Tax Exemption Policy without board approval | Award property tax abatements or exemptions |
| Funding | Self-funded through fee income | Self-funded through fee income |
| Staffing | Economic Development Corporation | Economic Development Corporation |
| Oversight | Mayoral-controlled board of directors | Mayoral-controlled board of directors |

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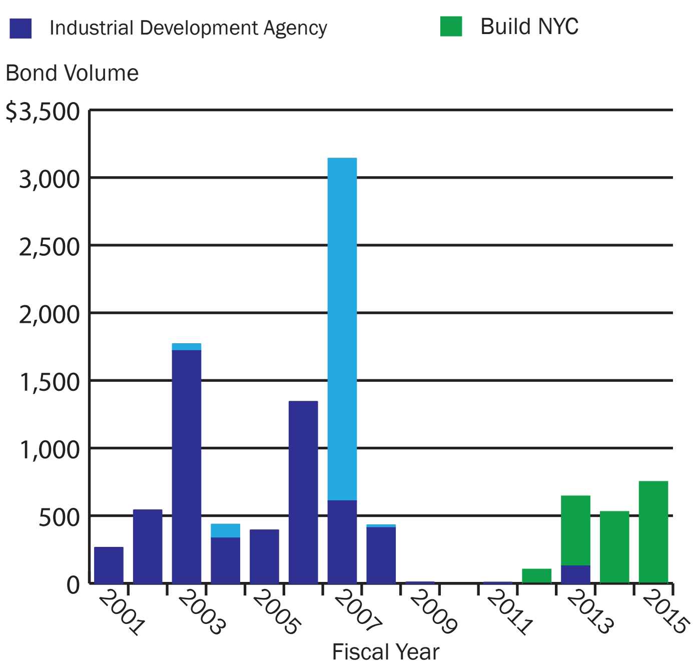
include policies on the events that trigger the recapture of benefits, as well as the public benefits that must be offered by certain projects receiving financing. Unlike the IDA, Build-financed projects are not required to follow the rules outlined in the UTEP, which gives Build borrowers more freedom in their activities than IDA-financed deals. Additionally, the IDA is specifically precluded from offering bonds on behalf of housing developers, while Build is not.

Although Build is technically an independent organization, it was clear that EDC intended Build to work in concert with the IDA. The two organizations share an executive director and mayoral-controlled board of directors, and they conduct public hearings and board meetings at the same time. Both organizations are staffed by EDC employees, and each pays EDC a management fee in exchange for professional services.

With its broad mandate to serve both the nonprofit and for-profit sectors and its less restrictive policies, Build has become the city's exclusive issuer of private activity bonds for economic development.[6] Even though the IDA never lost the ability to issue bonds on behalf of for-profit

**Build NYC Has Become the City's Exclusive Issuer of Economic Development Private Activity Bonds**

*Dollars in millions*




SOURCES: IBO analysis of New York City Industrial Development Agency and Build NYC Resource Corporation data
NOTES: Light blue columns represent IDA bond transactions on behalf of the New York Yankees, New York Mets and the United States Tennis Association. Stadiums are not eligible private activities under federal law, but the IDA sold bonds using alternative structures to remain in compliance with state and federal rules. See endnote 6 for more information.

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**Closed IDA Bond Transactions by Category of Borrower, 2001-2015**

*Dollars in thousands*

| Category | Projects | Total Issuance | Average |
|---|---|---|---|
| Social Services | 59 | $527,556 | $8,942 |
| Health Care | 49 | 355,516 | 7,255 |
| Small Manufacturing | 42 | 174,583 | 4,157 |
| Private/Religious School | 36 | 778,175 | 21,616 |
| Higher Education | 14 | 573,525 | 40,966 |
| Cultural Institution | 7 | 84,175 | 12,025 |
| Advocacy | 6 | 79,175 | 13,196 |
| Parking | 5 | 311,690 | $62,338 |
| Stadium | 5 | 2,702,925 | 540,585 |
| Retail | 4 | 111,500 | 27,875 |
| Airline | 4 | 2,192,160 | 548,040 |
| Youth/Community Center | 3 | 64,485 | 21,495 |
| Hotel | 2 | 65,000 | 32,500 |
| Air Cargo | 2 | 287,135 | 143,568 |
| Stock Exchange | 2 | 176,610 | 88,305 |
| General Economic Development | 1 | 3,695 | 3,695 |
| Office | 1 | 90,800 | 90,800 |
| **TOTAL** | **242** | **$8,578,705** | **$35,449** |

SOURCE: New York City Industrial Development Agency
NOTE: Table excludes bond transactions that were granted board approval but never closed.

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**Closed Build NYC Bond Deals by Category of Borrower, 2012-2015**

*Dollars in thousands*

| Category | Projects | Total Issuance | Average |
|---|---|---|---|
| Private/Religious School | 31 | $659,967 | $21,289 |
| Social Services | 18 | 207,457 | 11,525 |
| Higher Education | 6 | 149,340 | 24,890 |
| Health Care | 5 | 301,047 | 60,209 |
| Charter School | 4 | 79,205 | 19,801 |
| Cultural Institution | 2 | 31,795 | 15,898 |
| Retail | 2 | 31,100 | 15,550 |
| Senior Housing | 2 | 91,000 | 45,500 |
| Recycling Plant | 1 | 96,300 | 96,300 |
| Office | 1 | 119,200 | 119,200 |
| Small Manufacturing | 1 | 7,220 | 7,220 |
| Student Housing | 1 | 85,000 | 85,000 |
| Youth/Community Center | 1 | 42,300 | 42,300 |
| **TOTAL** | **75** | **$1,900,931** | **$25,346** |

SOURCE: IBO analysis of Build NYC Resource Corporation data
NOTE: Table excludes projects that were granted board approval but never closed.

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organizations, it has approved just one bond deal since EDC created Build, and none since September 2012. The IDA now focuses solely on economic development deals mostly based on tax-incentive packages.

***Change in Mix of Bond Deals.*** In the decade before Build's creation, when the IDA was the city's main vehicle for issuing private activity bonds, the bulk of the projects financed were for social service providers (24 percent), health care providers (20 percent), small manufacturing firms (17 percent), and private and religious K-12 schools (15 percent). While these borrowers had the greatest number of deals, by dollar value the greatest share of the IDA's issuance went to stadiums (32 percent) and airlines (26 percent), including passenger terminals and cargo facilities at John F. Kennedy International Airport (JFK Airport).[7]

Since its creation, Build has also taken on some similar deals, but not in the same proportions. Both by number of projects and by volume, private and religious schools now account for the largest share of Build deals (41 percent of all projects, and 35 percent of total volume). In fact, by volume Build has financed nearly as many private school bonds in three and a half years than the IDA did over the previous decade. In terms of number of projects, social service organizations account for the second greatest number of Build deals (24 percent), followed by higher education organizations (8 percent). By volume, following private and religious schools, 16 percent of Build's total issuance has gone to health care organizations, followed by social service agencies (11 percent).

EDC has also used Build to begin selling bonds on behalf of groups of borrowers that had never issued debt through the IDA. Build has issued bonds on behalf of five charter schools. It has also sold bonds on behalf of a variety of housing projects, including student housing at Queens College and assisted living facilities; in contrast, Section 917(c) of the state's General Municipal Law seems to indicate IDA cannot finance housing development. According to the Economic Development Corporation, the IDA can issue bonds on behalf of for-profit developers building assisted living or student housing projects, but it has not done so during the period studied in this report.

In addition to these borrowers, Build's board has approved four large exempt facility bond deals for privately operated infrastructure projects, which the IDA never lost the ability to do. So far, however, only one of the four deals has closed. One applicant, Delta Airlines, won approval for up to $210 million in tax-exempt bonds to finance the expansion of their terminal at JFK Airport in April 2013 but chose instead to finance the project using other sources. Two others, Covanta Holding Corporation in June 2013 and the Brooklyn Navy Yard Cogeneration Partners in July 2013, were approved to issue a total of up to $400 million, though as of this report, neither has gone forward with their issuances.

In at least four cases, nonprofit borrowers were approved to issue bonds through Build but opted to finance their projects through other means, including bonds issued by the state's dormitory authority (which provides financing for universities, health care facilities, and other state-related institutions), the sale of New Markets Tax Credits, and private loans.

Since Build's creation, EDC has also expanded the types of deals in which it can take part. In 2013, EDC amended Build's certificate of incorporation to ensure that it would be able to participate in public-private partnerships and other projects that are located partially outside the city. This change came in response to the IDA and Build's inability to participate in the public-private partnership that will replace the Goethals Bridge, which connects Staten Island and New Jersey. The proposed $1.5 billion bridge will be financed using a variety of private sources, including $450 million in private activity bonds. Build's original certificate of incorporation permitted it only to work on projects located within New York City. (State law also prohibits the IDA from assisting facilities located beyond the city's borders.) Because the bridge spans two states, the private consortium elected to issue the entirety of the bonds through the New Jersey Economic Development Authority (NJEDA), rather than issue half through Build or IDA and half through the NJEDA. The amendment now allows the city to participate in future projects located at least partially outside the city. The provision could also benefit New York City-based nonprofits that own facilities in Westchester or Nassau Counties. To date, no organizations have issued debt through Build for projects outside the city.

***Trend Towards Refinancing Transactions***. The majority of Build's activity to date (58 percent by volume) has involved the refinancing of existing debt rather than the issuance of debt on behalf of new projects.

Many nonprofits are refinancing debt issued by other agencies or private lenders that they took on during years that IDA could not issue nonprofit bonds. Some borrowers are issuing new debt through Build to unwind interest rate swaps that they entered into as part of variable rate debt instruments in the mid-2000s. Increasingly, Build is refinancing bonds that were previously issued by other public entities, including the Dormitory Authority of New York (DASNY), the city's Housing Development Corporation, and the federal Department of Housing and Urban Development. Build is also refinancing bonds that were issued by the IDA, including Liberty Bonds and Recovery Zone bonds. (Congress approved the Liberty Bond and Recovery Zone Bond programs to finance development projects in the wake of the September 11th attacks and the 2009 recession, respectively. The authorization of each program capped the value of bonds that could be sold.)

This trend toward refinancing reflects the municipal bond market as a whole in recent years, as borrowers take advantage of low interest rates to reduce their annual debt service obligations. In Build's case, however, a number of other factors unique to the organization (discussed below) are driving this trend. In addition to debt service savings, Build offers borrowers a combination of lower issuance costs relative to those of other issuers and places fewer restrictions on borrowers' operations.

This preponderance of refinancings means that the Build deals create fewer new jobs and have a smaller economic impact as compared to the issuance of debt on behalf of new projects. A primary rationale for allowing tax-exempt financing of private activity projects is the fiscal benefit from inducing capital investment and job creation.

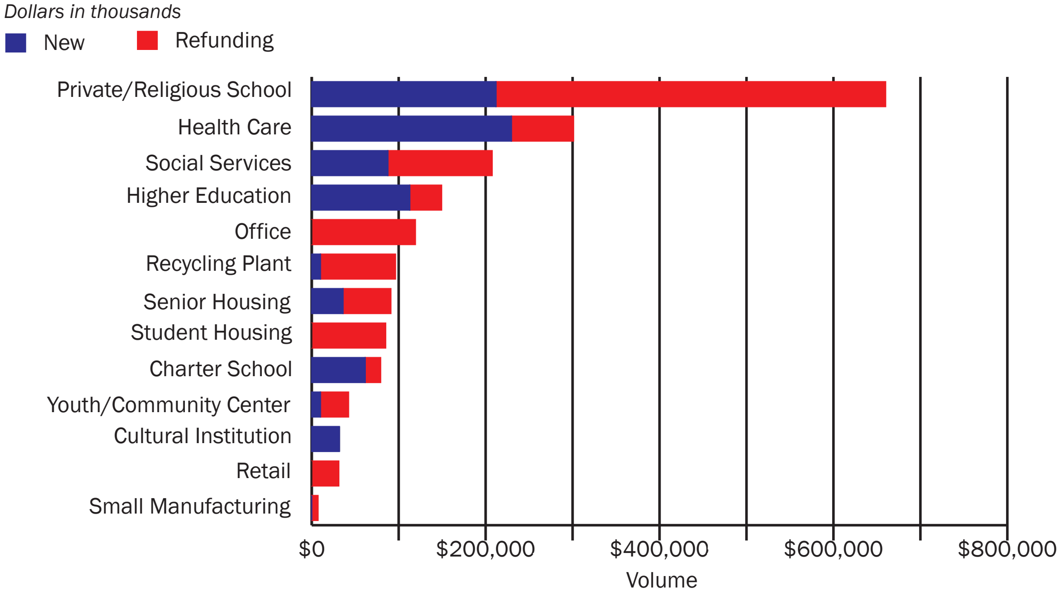
### How Borrowers Benefit From Build

By relieving the pent-up demand for refinancing transactions, especially from nonprofit organizations no longer able to issue debt through the IDA, Build offered an immediate benefit for such organizations, but it has also benefitted borrowers by increasing competition among bond issuers for their financing needs.

***Lower Cost Option.*** There are several ways in which selling bonds through Build can substantially lower some borrowers' cost of issuance relative to other bond issuers. First, unlike DASNY, Build allows borrowers to negotiate the terms of their bond deals directly with investors. Other bond issuers have firm credit requirements that apply to borrowers regardless of their ability to repay their debts. DASNY, for example, requires all but the highest rated borrowers to set aside bond proceeds for a debt service reserve fund, to purchase bond insurance, or to pledge property as collateral. These credit enhancements are designed to protect bondholders against the risk that a borrower defaults. Build, by contrast, allows borrowers to negotiate credit enhancements or security provisions with their underwriters and the parties purchasing the bonds, in cases where debt is privately placed. This has the potential to reduce borrowing costs, especially for companies or nonprofits that have sub-investment grade bond ratings or plan to sell unrated bonds.

For borrowers that are eligible to issue bonds through the IDA, borrowing through Build instead of the IDA can

**Since Fiscal Year 2012, Refinancing of Outstanding Debt Has Comprised Majority of Build NYC's Issuance**
*Dollars in thousands*




SOURCE: IBO analysis of Build NYC Resource Corporation data
NOTE: Volume includes closed Build NYC Resource Corporation bond transactions from fiscal years 2012 through 2015.
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also lower their cost of issuance due to Build's simpler transaction structure. The IDA requires borrowers to enter into a complex chain of leases and subleases with the agency, an arrangement that increases legal fees for both the IDA and borrowers. Build structures its bond transactions more like conventional loans and does not require borrowers to lease their properties to the city.

A final way that borrowers can lower their issuance costs is by avoiding a fee imposed by the state on industrial development agencies. Since 1989, New York State has required that public authorities, public benefit corporations, and IDAs pay the state a cost recovery fee each time they issue debt, regardless of whether the bond proceeds are used for a public purpose. Typically the fee is paid by the borrower out of bond proceeds. The cost recovery statute does not apply to Build, however, because it is organized as an LDC. As a result, borrowers can avoid New York State's bond issuance fees by issuing bonds through Build.

Avoiding this fee can save borrowers hundreds of thousands of dollars. For example, Pratt Paper issued $96 million in tax-exempt bonds through Build in December 2014 to purchase equipment for its Staten Island recycling plant. If Pratt were to have sold the same bonds through the IDA instead of Build, an option that was available, it would have been required to pay the state a cost recovery fee equal to 0.84 percent of the total proceeds, or $808,920. Because Build is an LDC, and therefore exempt from the cost recovery statute, Pratt avoided paying the fee.

***Fewer Restrictions.*** Borrowers can also benefit from Build by issuing bonds that are not subject to the provisions of the IDA's uniform tax exemption policy, or UTEP. As noted earlier, the IDA enabling law requires each IDA to establish a set of rules to guide their activities. Avoiding the UTEP provisions is particularly important to private and religious schools that sell bonds through Build. Among other provisions, the New York City IDA's uniform tax exemption policy requires these institutions to offer certain benefits to the public in exchange for receiving tax-exempt financing. All schools are required to set aside at least 20 percent of their seats for New York City residents. They must pledge not to discriminate in admissions, hiring, or financial aid, and they must be registered and accredited with the State Education Department.

The UTEP also places additional restrictions on high-tuition schools, defined as those that charge tuition equal to or greater than 75 percent of all schools that borrow through the IDA. The high-tuition threshold was $20,184 for the 2006-2007 school year, the last year in which the IDA calculated the figure and the year before the Legislature failed to reauthorize the civic facility authority. High tuition schools must ensure that at least 10 percent of financial aid be made available to New York City residents; that at least 10 percent of financial aid recipients who live in New York City receive aid worth at least 50 percent of tuition; that they share their facilities with New York City public schools; and that they adopt a community service program.

The UTEP, however, only applies to IDA transactions. Private schools that issue bonds through Build are not required to make any of these commitments. Additionally, by refinancing existing IDA debt through Build, schools have been able to undo the pledges made when they issued IDA bonds. Many schools meet at least some of these standards independent of requirements placed on them by the IDA's uniform tax exemption policy, but freeing themselves of the UTEP mandates means that they do not have to submit to the oversight and compliance required of IDA beneficiaries—or to the potential consequences of noncompliance, including the immediate repayment of their outstanding debt.

Minutes of Build's board meetings suggest that EDC's leadership considered but ultimately rejected a provision that would hold BUILD beneficiaries to the same standards that they met when they sold bonds through the IDA. At the October 2013 board meeting, Build's executive director said that private schools told EDC that the IDA "suffered from a reputation of not being user friendly and being burdensome and cumbersome" and that "adopt[ing] similar Private School Criteria [for Build]… would create a substantial administrative burden on private schools applying for benefits." The schools also suggested that adding similar requirements through Build "could affect private schools' willingness to apply for benefits with the Corporation going forward." EDC chose instead to eliminate the requirement that private schools provide benefits to the public at large in exchange for offering access to the tax-exempt bond market.

Through the end of fiscal year 2015, 23 private schools have refinanced over $448 million in outstanding debt through Build, representing over 40 percent of Build's refinancing activity by volume. By contrast, private schools have represented 27 percent of new debt issued by Build.

### How the City Benefits From Build

Just as there are advantages for borrowers from using Build, there are advantages for the city as well. More specifically, Build provides EDC with a source of revenue to support discretionary activities ranging from consultant studies to loan programs, activities that are outside the normal city budget appropriations process. When the state Legislature failed to renew IDA's civic facility authority in 2009, EDC also lost a significant source of revenue. Build allowed EDC to regain access to the nonprofit market and the income it generates.

***Revenue Generated.*** IDA and Build are expected, at a minimum, to generate sufficient revenue to cover their operating costs. Both organizations earn income from several different sources. Federal law allows bond issuers to charge fees to pay for the cost of issuing the bonds. Borrowers typically pay fees out of bond proceeds. For tax-exempt debt, issuance costs are capped at 2 percent of the amount borrowed. In contrast, there is no cap on costs paid out of taxable debt.

The IDA records as revenue the value of funds that it recaptures from companies that fail to meet job creation targets or violate other provisions of their incentive deals; the IDA remits the majority of recaptured funds to the city and state, but it is allowed to retain some of the funds for its own use. Build also has the ability to claw back benefits from its beneficiaries, though it has not recaptured any benefits since its creation. Finally, the IDA—unlike Build—collects a share of the present value of tax abatements and exemptions that it grants and splits fees earned on the sale of Liberty Bonds with the state's Empire State Development Corporation.[8]

Typically, Build borrowers pay a host of issuance fees. These fees pay for the city's bond counsel, the transaction's trustee, and ongoing administration and compliance costs. In addition, Build charges what it calls a "financing fee" of 1 percent of the first $5 million borrowed and 0.5 percent of proceeds above $5 million. (The IDA has used the same fee structure in the past for bond projects.) Build keeps this fee to cover its issuance costs—the wages of staff and in-house counsel, the cost of holding public hearings and board meetings, and other miscellaneous expenses. For example, in November 2014, Build issued $9 million in bonds on behalf of Women in Need to finance the construction of its new headquarters. Women in Need's total issuance cost included $154,600 in fees that it could pay out of bond proceeds. These fees included Build's financing fee, which amounted to $61,100.

In most years, fee income constitutes the largest part of the IDA's and Build's annual operating revenue. Because

**Example of Fees Paid on Build NYC Bond Deal**

| Women in Need, Inc. | Amount |
|---|---|
| **Amount Borrowed** | **$8,997,800** |
| Fees Due at Closing | |
| Build NYC Financing Fee | $61,100 |
| Bond Counsel Fees | $90,000 |
| Bond Trustee Acceptance Fee | $500 |
| Bond Trustee Counsel Fee | $3,000 |
| ***Total Due at Closing*** | ***$154,600*** |
| ***Percent of Proceeds*** | ***1.70%*** |

SOURCE: Materials of the November 2014 Build NYC Resource Corporation board meeting

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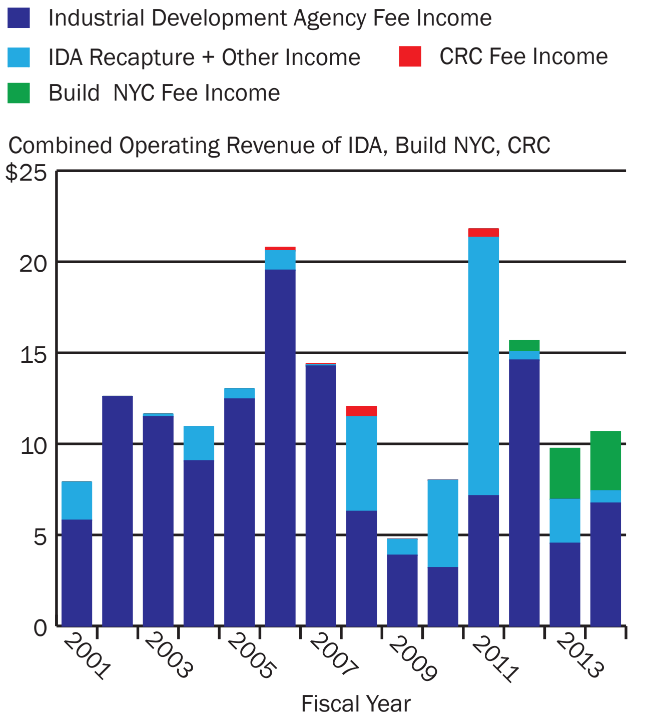
the IDA and Build effectively function as a single unit (sharing the same board, office space, public meetings, etc.), IBO has consolidated their financial statements. We have also included financial information from the now-defunct New York City Capital Resource Corporation, another EDC-managed LDC that merged with Build in 2013. The three organizations' combined revenue tends to fluctuate from year to year. Some of the spikes in revenue result from the large fees earned on relatively infrequent large projects, such as airport terminals and office towers. For example in November 2005, the IDA issued $800 million in bonds on behalf of American Airlines to finance a portion of the renovation of its terminals at JFK Airport, which resulted in American paying $3.5 million in IDA financing fees in fiscal year 2006. In recent years, income from the recapture of benefits has constituted a large share of the IDA's revenue, particularly in fiscal years 2010 and 2011. Recaptured benefits accounted for $4.2 million of the IDA's $8.0 million in revenue in 2010 and $14.1 million of $21.3 million in 2011.

Since its creation, Build has become responsible for a significant share of the organizations' income. In fiscal year 2013, the first full fiscal year Build was in existence, it accounted for $2.8 million, or 38 percent of the organizations' $7.3 million in combined income. In fiscal year 2014, Build accounted for $3.3 million or 33 percent of a total of $10 million in income earned by the organizations.

***Fixed Expenses.*** Unlike revenue, the organizations' operating expenses bear little relationship to the volume of projects that they approve or the fee income that they generate. Because the IDA and Build have no staff or office space of their own, the management fees they pay to EDC account for the overwhelming majority of their annual

### Build Fee Income Significant Source of Revenue

*Dollars in millions*




SOURCES: IBO analysis of Annual Financial Statements of the City of New York Industrial Development Agency, Capital Resource Corporation, and Build NYC Resource Corporation
NOTE: Operating revenue includes revenue generated from financing fees, annual compliance fees, and recaptured financial benefits retained by the respective entities after remitting amounts due to the city and state.

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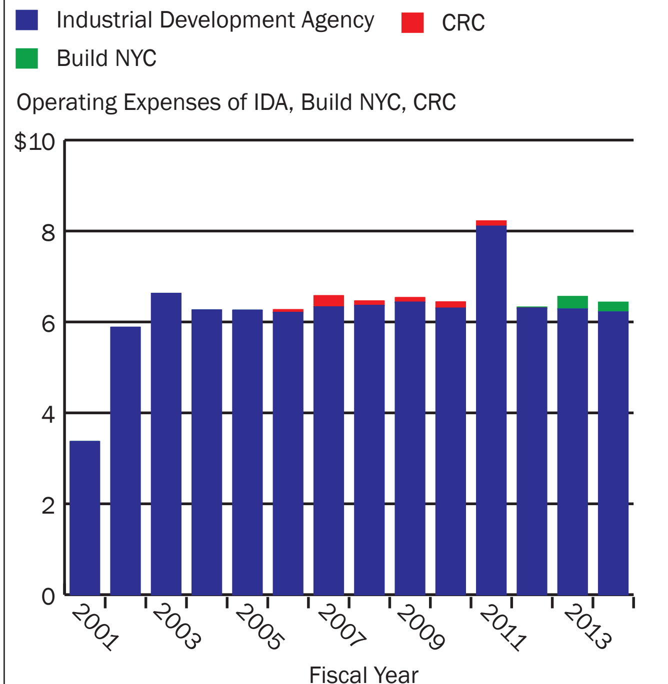
### Fixed Operating Expenses Bear Little Relationship to Deal Volume, Revenue

*Dollars in millions*




SOURCES: IBO analysis of Annual Financial Statements of the City of New York Industrial Development Agency, Capital Resource Corporation, and Build NYC Resource Corporation
NOTE: Operating expenses includes EDC's management fee plus the cost of professional services, hosting public hearings, and other miscellaneous expenses.

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expenses.[9] This fee is a fixed payment that is set annually by EDC and approved by the IDA and Build boards—a related-party transaction noted in all three organizations' financial statements.

Because it is fixed, the fee also bears no relationship to EDC's actual staff hours in a given year, nor the volume or complexity of the deals on which it works. In fiscal year 2014, EDC charged the IDA a management fee of approximately $6 million. By contrast, it charged Build just $80,000, even though Build fees represented a third of the organizations' fee income. EDC lowered the IDA's management fee for 2015 to $4.5 million and increased Build's to $2.8 million to more accurately reflect the division of work between the organizations; the artificially low fee it charged Build for its first three years of existence allowed the organization to build up a positive fund balance.

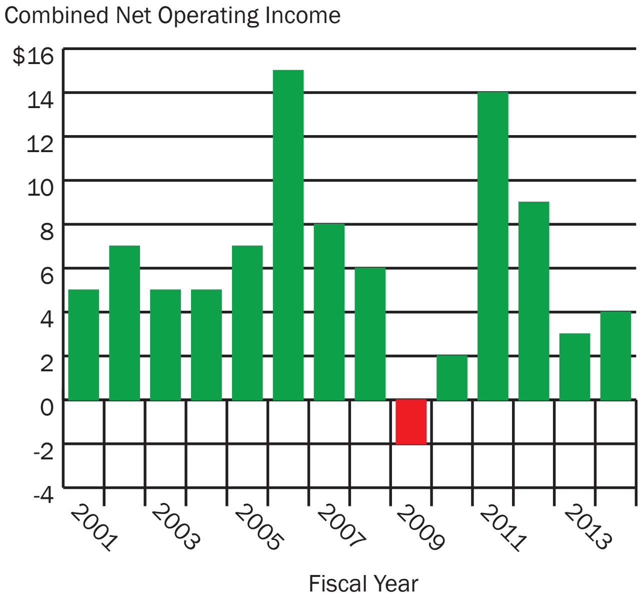
***Surpluses.*** Unlike the city, which is required by law to balance its budget in accordance with generally accepted accounting principles, public benefit corporations and local development corporations are not required to balance their budgets each year. As a result, organizations like the IDA and Build are allowed to generate and retain surpluses.

Except for 2009, when the city was in the midst of a recession and the IDA had just lost its ability to issue bonds on behalf of nonprofit borrowers, the organizations have been consistently profitable. Since 2001, the IDA, Build, and CRC have earned a combined $86 million in net operating income, even after paying EDC more than $81 million in management fees. Over that period, the organizations have had an average annual operating margin—the ratio of net operating income to total revenue—of 43 percent. This level of profitability has also allowed the organizations to build up considerable cash reserves. At the end of 2014, the IDA held $50 million in unrestricted cash and investments, while Build held $6 million.

***Uses of Surplus Revenue.*** EDC routinely taps into these cash reserves to pay for one-time expenses. State law does not allow the IDA and Build to make unrestricted cash payments to EDC or the city's general fund, but it does allow the organizations to enter into funding agreements in exchange for services. Accordingly, this is how EDC

**Combined Net Operating Income of IDA, Build NYC, and CRC, Fiscal Years 2001-2014**

*Dollars in millions*




SOURCES: IBO analysis of Annual Financial Statements of the City of New York Industrial Development Agency, Capital Resource Corporation and Build NYC Resource Corporation

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structures the management fees it charges the IDA and Build. These funding agreements allow EDC to draw down on the organizations' cash on hand to pay for its own programmatic needs. The IDA and Build refer to these transfers as "special payments" and categorize them as non-operating expenses in its financial statements.

From fiscal years 2002 through 2014, the IDA and Build have committed over $84 million to fund EDC projects and consulting studies, including the preliminary work for many of the Bloomberg Administration's major redevelopment initiatives. It has also funded the citywide ferry study released in 2013, the Hurricane Emergency Loan Program to provide loans and grants to businesses affected by Hurricane Sandy, and a Bloomberg-era study that argued against a City Council proposal that would have required developers and tenants of EDC projects to pay a living wage. A full list of projects funded by the IDA and Build can be found in the appendix.

These payments must be approved by the IDA and Build's boards of directors. However, because EDC, the IDA, and Build are not city agencies, their spending is off the city budget, which means it does not follow the same procurement rules as those used by city agencies, and does not require City Council approval—making the process much less transparent than is typical for city spending.

## Broader Implications

Even though Build was created in response to a particular set of local conditions, its brief history highlights several concerns about LDCs and private activity bond issuers, both within New York and across the country.

***Issuers Are Expected to Pay for Themselves.*** Municipal governments expect public benefit corporations and LDCs such as Build to be self-sustaining enterprises. As a result, these corporations must rely on revenue sources like fee income from bond projects or incentive deals, or rental income from municipal property to support their operations. The long-term viability of conduit bond issuers relies on the volume of deals that they approve. In particular, they may be more likely to approve large transactions, particularly infrastructure projects that generate significant fees, even when those projects are feasible without the issuance of tax-exempt debt. Similarly, because state and federal law do not require that an agency's financing fees bear any relationship to the expenses that it actually incurs on a given project, agencies have an incentive to pursue large deals.

***No Balanced Budget Requirement.*** Even as these organizations are permitted to raise revenue to support themselves, there is nothing to stop them from raising more revenue than is needed to fund their activities. Put differently, they are not required to balance their budgets. In fact, many generate surpluses that, over time, can grow into substantial off balance sheet reserve funds. IDA and Build together held $56 million in unrestricted cash and investments at the end of 2014. Because public benefit corporations and LDCs are not city agencies, these surplus funds are off-budget and allow governments to pursue initiatives without the same levels of transparency that they would be subject to if they were to be funded using city revenue sources.

***States Set Private Activity Bond Rules.*** Private activity bonds are authorized by federal law, but the tax code provides only a broad framework about how issuers can use them. Each state is free to establish its own rules governing conduit bond issuance, which has led to wide variations both between different states and even within states themselves. Some states, like New Jersey, control issuance entirely at the state level. Others allow the creation of extra-jurisdictional issuers, which are allowed to sell bonds on behalf of projects well beyond their borders. Still others, including Wisconsin and California, have allowed for-profit companies to administer conduit bond issuers, in a role similar to EDC's relationship to the IDA and Build. Within New York State, there are a wide range of conduit issuers at the state, county, and local levels, ranging from IDAs to public benefit corporations to LDCs, each with their own set of rules and restrictions.

This proliferation of issuers allows for regulatory arbitrage, in which borrowers seek out the best terms among two or more potential issuers. Sub-investment grade borrowers, for example, can significantly lower their issuance costs by borrowing through Build instead of DASNY.

***Increasing Competition, Diminished Public Benefits.*** In places like New York, where borrowers can access the bond market through several different issuers, there is a risk that competition could lead to a race to the bottom, in which most of the benefits flow to private parties rather than to the general public. Private activity bonds are either sold on the open market or privately placed with large investors, so it is unlikely that issuers can compromise on credit quality without running afoul of the market.[10]

Instead, this race to the bottom is more likely to come at the expense of the public. Issuers may be pursuing projects that are feasible without the use of tax-exempt debt, particularly for projects that are exempt from the federal government's annual bond volume cap. These projects benefit the borrower, who saves on debt service expenses, and the issuer, who generates fee income, largely at the expense of the federal government, which forgoes the lion's share of the tax revenues the deal would have generated had it been taxable. (Assuming the $1.9 billion in outstanding debt issued by Build had been taxable debt issued at a 5.75 percent interest rate, IBO estimates that bondholders would have paid $27.3 million in federal income tax, as compared with $583,000 in state taxes, and $213,000 in city taxes.) In the case of New York City, EDC's desire to regain fee income from private school bond issuance likely contributed to their decision to drop the requirement that those schools provide financial aid and share their facilities with public schools.

The expectation that entities like Build pay for themselves and are not required to balance their budgets, along with the fact that they have proliferated under varying rules among the states, comes at a potential public cost in terms of transparency and lost tax revenue. In the case of Build and its fellow EDC subsidiary, the New York City Industrial Development Agency, the rules underlying their operation have allowed them to amass and spend millions of dollars with minimal oversight and input from the City Council or other elected officials other than the Mayor.

*Report prepared by Sean Campion*

## Endnotes

[1]All years in this report refer to calendar years unless otherwise noted.
[2]Each year, the IRS calculates a national volume cap and apportions it among the states based on population. It then permits each state to determine how to allocate and apply its portion of the cap. New York has traditionally split its volume cap equally among three categories of issuers: one-third to industrial development agencies (further split among cities and counties based on population); one-third to statewide authorities, such as the dormitory authority; and one-third to a statewide reserve fund, to which all other issuers can apply for an allocation of bonds. Local and regional issuers like Build NYC and the city's Housing Development Corporation fall into this third category. Local and county governments are also free to move allocations from one category to another. New York City, for example, regularly shifts some of the IDA's bond volume to Housing Development Corporation.
[3]Excerpt from Section 1411(a): "Corporations may be incorporated or reincorporated under this section as not-for-profit local development corporations operated for the exclusively charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest."
[4]NFP Section 1411(c).
[5]"Build NYC Resource Corporation Now Officially Accepting Applications From Non-Profits For Tax-Exempt Financing" December 13, 2011. http://www.nycedc.com/press-release/build-nyc-resource-corporation-now-officially-accepting-applications-non-profits-tax
[6]The city's Housing Development Corporation issues private activity bonds on behalf of affordable housing developers.
[7]Stadiums and arenas are not eligible private activities under federal law. The IDA deals benefiting Yankee Stadium and Citi Field in 2007 are not technically private activity bonds because they are backed by payments in lieu of taxes, which are public sources of revenue. Bonds the IDA issued in 2003, 2004, and 2008 on behalf of the United States Tennis Association, the not-for-profit organization that runs the U.S. Open, qualified under the civic facility program.
[8]Typically, IDA and Build beneficiaries pay the financing fee at the time of closing, though in at least one case, the IDA has allowed a beneficiary to amortize the fee over the life of the project. In December 2013, the IDA board approved a mortgage recording tax exemption and a property tax abatement for Queens Development Group, a joint venture between the Related Companies and Sterling Equities, for their proposed redevelopment of Willets Point. In that case, the IDA allowed Queens Development Group to pay its $1.5 million financing fee over 25 years.
[9]EDC's contract with the city allows it to retain income it earns for services rendered so long as those fees are payable to EDC and not to the city.
[10]IDA bond projects have defaulted in the past, most notably in the case of the nonprofit organization that sold bonds to build parking garages at the new Yankee Stadium. It defaulted on its bonds after demand for parking fell significantly short of expectations. See IBO's July 2013 update for more information on the Yankee Stadium parking garage deal.

## Appendix

| New York City Economic Development Corporation Special Projects Funded by the IDA and Build NYC, 2001-2014 | | |
|---|---|---|
| **Project** | **Fiscal Year** | **Commitment** |
| Congestion Pricing Study | 2008 | $8,000,000 |
| Hurricane Emergency Loan Program (IDA and BUILD) | 2013 | $5,000,000 |
| Digital NYC-Wired to the World-Marketing Program | 2000 | $4,850,000 |
| Cross Harbor Freight Movement Transportation Study | 2001 | $4,000,000 |
| Willets Point Development Strategy | 2007 | $3,954,000 |
| Pier 7-12 Development Policy | 2006 | $3,110,000 |
| Urban Design Study for West Side of Manhattan | 2002 | $2,429,000 |
| Citywide Environmental and Traffic Retainer | 2003 | $1,750,000 |
| Citywide Environmental and Traffic | 2004 | $1,750,000 |
| Seward Park Mixed-Use Development Project | 2011 | $1,300,000 |
| On Call Services/Cambridge Systematics Inc. | 2007 | $1,275,453 |
| Java & Kent Street Piers Project | 2000 | $1,200,000 |
| On Call Services Contract/Strategic Port Plan | 2008 | $1,200,000 |
| Redevelopment of Downtown Brooklyn | 2002 | $1,150,000 |
| NYCEDC Business Development Study | 2007 | $1,000,000 |
| Harlem Business Assistance Fund | 2008 | $1,000,000 |
| Wage Study | 2010 | $1,000,000 |
| Illuminate Lower Manhattan | 2013 | $1,000,000 |
| Lower Manhattan Business Expansion Competition | 2012 | $950,000 |
| LINK: Fast Track Entrepreneurship Program | 2013 | $930,000 |
| Staten Island West Shore Study—Land and Transportation | 2007 | $900,000 |
| Cruise Ship Terminal | 2004 | $850,000 |
| Broadband Feasibility Study | 2007 | $820,000 |
| On Call Environmental and Transportation Planning Services | 2007 | $800,000 |
| Hunts Point Peninsula | 2004 | $795,000 |
| Construction Cost Reduction Study | 2007 | $750,000 |
| Life Sciences Industry Desk Consulting Strategy | 2005 | $700,000 |
| Hunts Point Food Distribution Center, Development Feasibility Analysis | 2008 | $700,000 |
| Staten Island North Shore Land and Transportation Study | 2008 | $700,000 |
| NYC Green Sector Study | 2009 | $675,000 |
| Willets Point Redevelopment | 2006 | $654,000 |
| Downtown Brooklyn Relocation Services | 2003 | $650,000 |
| Fordham Plaza Conceptual Design Study | 2008 | $650,000 |
| Hudson Yards/Arquitectonica (Engineering Consulting) | 2004 | $625,000 |
| Comparative Analysis of Financial Services of NY and London | 2007 | $600,000 |
| Immigrant Entrepreneur Business Development Demonstration Program | 2011 | $600,000 |
| Citywide Ferry Study and Environmental Assessment Services | 2013 | $600,000 |
| Harbor District Ferry Service Feasibility and Branding Initiative | 2009 | $590,058 |
| NYC Business Development Comprehensive Strategy | 2009 | $575,000 |
| Study for Redevelopment of West Side of Manhattan | 2002 | $550,000 |
| Long-Term Transportation Investment | 2006 | $550,000 |
| Sunset Park Vision Plan | 2008 | $550,000 |
| Consulting Service for Tourism Strategy | 2004 | $544,450 |
| New York's Next Top Makers | 2013 | $530,000 |
| 65th Street Railyard—Design | 2000 | $500,000 |

| Project | Fiscal Year | Commitment |
|---|---|---|
| Staten Island Railroad Operational Plan | 2000 | $500,000 |
| Technology Transfer Initiatives | 2001 | $500,000 |
| Port Improvement Plan & Environmental Impact Study | 2001 | $500,000 |
| NY Harbor Program, Land Use and Transportation Analysis | 2007 | $500,000 |
| NYC Media Scenario Series | 2009 | $500,000 |
| Hunts Point Food Distribution | 2010 | $500,000 |
| Seward Park Development Project Engineering and Cost Analysis | 2011 | $500,000 |
| Harlem Incubator | 2012 | $500,000 |
| MARSHES | 2013 | $500,000 |
| Freight Investment Blueprint | 2014 | $500,000 |
| NYC Commercial Waste Hauling Study/Price Regulation | 2007 | $490,000 |
| NYC Electricity Resource Study | 2003 | $479,500 |
| Long-Term Strategic Plan: Book and Promotional Brochure | 2006 | $450,000 |
| Manufacturing and Industrial Subsectors Study/AKRF | 2008 | $450,000 |
| Industrial Business Support Services | 2012 | $420,000 |
| Industrial Business Zone | 2005 | $400,000 |
| Incentive Program Review | 2006 | $400,000 |
| West Chelsea Special District | 2003 | $375,950 |
| Engineering Review for Cross Harbor Freight | 2002 | $375,000 |
| River to River 125th Street Study | 2005 | $375,000 |
| Conceptual Plan for BAM Cultural District | 2002 | $350,000 |
| Hudson Yards/Cornerstone | 2005 | $350,000 |
| Manhattanville Redevelopment | 2005 | $350,000 |
| Hunts Point Vision Plan | 2006 | $350,000 |
| Water Street Feasibility Study | 2011 | $350,000 |
| Vertical Factory Design Competition | 2014 | $350,000 |
| Empire Zone Program Administration and Market Services | 2007 | $326,000 |
| NYPD Assessment Plan | 2006 | $310,000 |
| Homeport Development Plan | 2003 | $300,000 |
| New York Aquarium Perimeter Redesign | 2006 | $300,000 |
| Community Development Finance Research Study | 2007 | $300,000 |
| Fashion Industry Support Study | 2008 | $300,000 |
| NYC Economic Impact Strategy for the Arts | 2008 | $300,000 |
| Harlem River Waterfront/Sherman Creek | 2010 | $300,000 |
| Industrial Subsector and Cost Comparison Analysis | 2010 | $300,000 |
| Industrial Business Improvement Districts Development | 2012 | $300,000 |
| Industrial Growth Initiative–Phase III | 2013 | $300,000 |
| West Midtown Bus Parking and Storage Study | 2004 | $275,000 |
| Willets Point Redevelopment–Appraisal | 2006 | $275,000 |
| Maritime Support Services Location Study | 2006 | $275,000 |
| LINK: Progress Networks | 2013 | $270,000 |
| Piers 6-12, Brooklyn Marine Terminal | 2003 | $250,000 |
| Hudson Yards/P. Habib & Assoc. and Parsons Brinckerhoff | 2004 | $250,000 |
| Long-Term Strategic Plan: Land Use | 2006 | $250,000 |
| JFK Air Cargo Study | 2011 | $250,000 |
| Staten Island Incubator | 2013 | $250,000 |
| Downtown Jamaica Workspace | 2014 | $250,000 |
| Air Cargo Market Analysis and Strategic Plan | 2014 | $250,000 |

| Project | Fiscal Year | Commitment |
|---|---|---|
| Comprehensive Industrial Plan | 2014 | $230,000 |
| Job Creation in PlaNYC | 2008 | $225,000 |
| Urban Planning for Redevelopment of Downtown Flushing | 2003 | $220,000 |
| NY Software Industry Program | 2001 | $200,000 |
| Bronx Terminal Market Tenant Relocation | 2005 | $200,000 |
| Participant Tracking Study | 2007 | $200,000 |
| Industrial Business Growth Assistance Program | 2012 | $200,000 |
| Brownfield Tax Lien Pilot Site Investigation | 2006 | $180,000 |
| Transportation Use Feasibility Study | 2007 | $180,000 |
| Citywide Ferry Service Feasibility Study | 2010 | $175,000 |
| Film and Television Production Study | 2004 | $150,000 |
| Downtown Far Rockaway Development Plan | 2006 | $150,000 |
| On Call Environmental Planning Services | 2008 | $150,000 |
| Sunset Park Industrial Real Estate Market Analysis | 2005 | $138,750 |
| Open Industrial Uses Study | 2013 | $137,500 |
| Class B and C Market Study | 2006 | $135,000 |
| Hunts Point Freight Rail and Anaerobic Digestion Study | 2010 | $131,705 |
| Quality of Life Survey | 2006 | $130,000 |
| WTC Tax Incentive Zone Analysis | 2003 | $126,500 |
| NYC Capital Resource Corp | 2006 | $125,000 |
| Study of NY Commercial Waste Removal coast | 2007 | $100,000 |
| Teleport Planning Services | 2010 | $100,000 |
| NYC Generation Tech | 2013 | $100,000 |
| 1000 Industrial Business Survey | 2014 | $90,000 |
| On Call Services Contract/Traffic Impact Study | 2008 | $75,000 |
| Queens Kitchen Incubator | 2012 | $75,000 |
| Industry NYC Survey | 2010 | $65,000 |
| Underground Railroad Historical Research Services | 2006 | $60,000 |
| National Development Council Technical Assistance Services | 2007 | $60,000 |
| Curate NYC | 2013 | $60,000 |
| Oil & Gas Supply Chain Study | 2013 | $60,000 |
| Bond Termination Services Pier A | 2008 | $47,995 |
| Ad Hoc Internal Audit Services | 2007 | $40,000 |
| Grant Taxability/WTC Consulting | 2003 | $38,500 |
| Downtown Jamaica Rendering | 2007 | $35,000 |
| NYC New Market Corporation | 2006 | $30,000 |
| Lower Manhattan Hotel Market Study | 2007 | $25,000 |
| Empire Zone Benefit/Hascock and Barclay | 2007 | $20,000 |
| Artist as Entrepreneur | 2013 | $10,000 |
| Harris Beach Retainer | 2004 | $7,500 |
| Environmental Consulting Services | 2009 | $5,000 |

SOURCES: Financial Statements of the New York City Industrial Development Agency and Build NYC Resource Corporation
NOTE: Commitments are funds approved by the organizations' respective boards of directors for individual projects. Actual spending by project is not publicly available.

*New York City Independent Budget Office*